



Date: 07th November 2020

To
The General Manager
Department of Corporate Services
B.S.E. Limited
1st Floor, Rotunda Building,
B.S. Marg, Fort
Mumbai – 400 001

Dear Sir,

Subject: Submission of 41th Annual Report along with the Notice of the 41th Annual General Meeting (AGM) of the Company for the Financial Year 2019-20.

Ref.: BSE Scrip Code: 514140

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the company for the Financial year 2019-20 along with the Notice of the 41th Annual General Meeting scheduled to be held on Wednesday, 02nd December 2020 at 09.30 A.M at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003.

We request you to take the above information on record and acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For Suryavanshi Spinning Mills Limited

Rajender
Kumar
Agarwal

Rajender Kumar Agarwal

Managing director

DIN: 00041892

Digitally signed by Rajender Kumar Agarwal
DN: c=IN, o=Personal, title=9529,
serialNumber=4047762204c1106d31a79381130
1807c67abcc6d6d00e8ca11f6d22c9f6,
postalCode=500034, st=Andhra Pradesh,
serialNumber=c4e6d6c099775a1d3d8e8f95d
c252b27e7961904e1c4d74605c6e8444c,
cn=Rajender Kumar Agarwal
Date: 2020.11.07 19:38:50 +05'30'

Encl: As above.

www.suryavanshi.com

Registered Office:

**Surya Towers, 6th Floor, 105, S.P Road
Secunderabad – 500 003, Telangana, India
Telephone : (91) 40 27843333
Email : info@suryavanshi.com
CIN: L14220TG1978PLC002390**

ANNUAL REPORT 2019-2020



 **Suryavanshi**
spinning mills Ltd.

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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri Rajender Kumar Agarwal

Managing Director & CFO

Sri Surender Kumar Agarwal

Non Executive Independent Director (upto w.e.f 26.07.2020)

Sri Manish Gupta

Non Executive Independent Director

Smt Sushma Gupta

Non Executive Independent Director

Sri Uttam Gupta

Non Executive Independent Director (w.e.f 28.09.2020)

Company Secretary & Compliance Officer

Ms. Ashu

Auditors

M/s. K.S.Rao & Co.

Flat No. 602, Golden Green Apartments,
Irrum Manzil Colony,
Hyderabad - 500082

Bankers

Union Bank of India (earlier Andhra Bank)
ICICI Bank Limited

Registered Office

6th Floor, Surya Towers, 105, S.P.Road
Secunderabad – 500 003, Telangana
Website: www.suryavanshi.com
Email: info@suryavanshi.com
CIN: L14220TG1978PLC002390
Phone: 91-40-27843333

Audit Committee

Sri Surender Kumar Agarwal (upto 26.07.2020)
Sri Manish Gupta
Sri Rajender Kumar Agarwal
Sri Uttam Gupta (w.e.f 28.09.2020)

Stakeholders' Relationship Committee

Sri Surender Kumar Agarwal (upto w.e.f 26.07.2020)
Sri Rajender Kumar Agarwal
Sri Manish Gupta
Sri Uttam Gupta (w.e.f 28.09.2020)

Nomination & Remuneration Committee

Sri Surender Kumar Agarwal (upto w.e.f 26.07.2020)
Sri Manish Gupta
Smt Sushma Gupta
Sri Uttam Gupta (w.e.f 28.09.2020)

Listed on BSE Limited

ISIN: INE431C01023
Scrip Code: 514140

Registrar and Share Transfer Agents

KFin Technologies Private Limited
Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032
Tel No. 040-67162222
e-mail: einward.ris@kfintech.com
Website: www.kfintech.com

FACTORY

Spinning & Medical Textile Divisions
Aliabad, Medchal Taluq, Ranga Reddy Dist.
Telangana – 500 078

NOTICE

NOTICE is hereby given that the 41th Annual General Meeting of the Members of Suryavanshi Spinning Mills Limited will be held on Wednesday, 02nd day of December, 2020 at 09.30 AM at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March 2020 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri Rajender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. **Re-appointment of Mr. Rajender Kumar Agarwal (DIN- 00041892) as the Managing Director of Company.**

To consider and if thought fit, to pass the following resolution with or without modification(s) as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 read with the provisions of Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being enforce) and other applicable provisions, if any, of the Companies Act, 2013, in terms of Articles of Association, as amended and on recommendation of the Nomination and Remuneration Committee and on Board's approval, the approval of members of the Company be and is hereby accorded for the reappointment of Mr. Rajender Kumar Agarwal (DIN- 00041892), as one of the Whole-time Key Managerial Personnel to be designated as Managing Director of the Company for a further period of three years commencing from 13.02.2020 to 12.02.2023, who shall be liable to retire by rotation.

RESOLVED FURTHER THAT remuneration by way of Salary and other Perquisites will not be given to Mr. Rajender Kumar Agarwal (DIN-00041892), who holds office as a Managing Director, as Company has not made repayment of loans to financial institutions and Banks.

RESOLVED FURTHER THAT Once the company clears all the dues of Financial Institutions and Banks and after getting no due certificate from the Banks & financial institutions, the Board of directors of the Company be and hereby authorized to fix the remuneration of Managing Director with the consent of Nomination & Remuneration Committee as per applicable provisions subject to the approval of shareholders.

“RESOLVED FURTHER THAT the appointment of Sri Rajender Kumar Agarwal be subject to retirement by rotation and when reappointed as a Director immediately on retirement by rotation, shall continue to hold his office of Managing Director and such reappointment shall not be deemed to constitute a break in his appointment as Managing Director.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.

4. **Re-appointment of Smt Sushma Gupta (DIN: 07147330) as an Independent Director:**

To consider and if thought fit, to pass the following resolution with or without modification(s) as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV of the Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and approval of Board, consent of the members be and is hereby accorded for the re-appointment of Smt Sushma Gupta (DIN: 07147330) who was appointed as an Independent Director of the Company at the 36th Annual General Meeting of the Company and she holds office of the Independent Director upto 28.09.2020 and she has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby reappointed as an Independent Director of

the Company for a second term of five consecutive years commencing from 29.09.2020 to 28.09.2025 and she will not be liable to retire by rotation.

5. **To Appoint Shri. Manish Gupta (DIN: 00526638) as an Independent Director**

To consider and if thought fit, to pass the following resolution with or without modification(s) as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV of the Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, during the year Shri Manish Gupta (DIN: 00526638), was appointed as an Additional Director w.e.f 30.09.2019 in the category of independent director, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of ensuing Annual General Meeting, pursuant to the recommendation of Nomination & Remuneration Committee and approval of Board, consent of the members be and is hereby accorded for the appointment of Shri Manish Gupta (DIN: 00526638) from additional Independent director to Independent Director and he has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years commencing from 30.09.2019 to 29.09.2024 and he will not be liable to retire by rotation.

6. **To Appoint Shri. Uttam Gupta as an Independent Director**

To consider and if thought fit, to pass the following resolution with or without modification(s) as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the

applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri. Uttam Gupta (DIN: 08883411), who was appointed as an Additional Director w.e.f 28.09.2020 pursuant to the provisions of Section 161(1) of the Companies Act 2013 and the Articles of Association of the company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the companies Act 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for 5(five) consecutive years w.e.f 28.09.2020 to 27.09.2025 and he will not be liable to retire by rotation.

7. **To Authorize the Board to Sell, lease or otherwise dispose undertaking of Company pursuant to Section 180(1)(a):**

To consider and if thought fit, to pass the following resolution with or without modification(s) as Special Resolution:

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any amendment thereto or re-enactment thereof) the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof) to sell, lease or dispose of All of the Building, complete Plant and Machinery of the Spinning Division & Dyeing Division of the Company situated at Aliabad, Shameerpet Mandal, Medchal District, Telangana, in favour of the banks or any Body Corporate or any other person (s) on such terms and conditions as the Board may deem fit, towards settlement of the loans, creditors or any other liabilities that are due and payable by the Company.

RESOLVED FURTHER THAT any of the Director of the Company be and are hereby authorized to sign such forms/ returns, and various documents as may be required to be submitted to the Registrar of Companies, or such other authorities and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place: Secunderabad
Date: 28.09.2020

Rajender Kumar Agarwal
Managing Director
DIN: 00041892

NOTES:

1. **Keeping in view the outbreak of COVID-19 (Corona Virus) pandemic, the AGM of the Company will be held at the venue in accordance with the Guidelines as prescribed by the World Health Organization maintaining social distancing norms and the venue being thoroughly sanitized.**
2. **The members are requested to wear mask all the time and carry their own stationery including pen, notepad, etc. to avoid any kind of physical contact among the members present at the meeting.**
3. The register of members and share transfer books of the Company will be closed from **26th November, 2020 to 02nd December, 2020** (both days inclusive) for the purpose of Annual General Meeting.
4. The Company's Registrar & Share Transfer Agent is **KFIN Technologies Private Limited**, Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Tel No. 040-67162222, Fax No. 040-23420814 e-mail: einward.ris@kfintech.com Website: <https://www.kfintech.com>
5. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on poll instead of himself and such proxy need not be a member of the Company.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. The holder of the proxy shall prove his/her identity at the time of attending the meeting.
6. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member. The Instrument appointing the proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
7. The shareholder desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement will be available for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members on the date of AGM, i.e. 02nd December, 2020. Members seeking to inspect such documents can send an email to secdept@suryavanshi.com
9. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
10. Members may note that the Notice of the 41th AGM and the Annual Report for FY 2019-20, copies of audited financial statements, directors' report etc., will also be available on the website of the company, www.suryavanshi.com for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address M/s KFin Technologies Private Limited, Selenium Building, Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.
11. SEBI has vide its Notifications dated 8th June, 2018 and 30th November, 2018 mandated that securities of listed companies can be transferred only in dematerialized form from 1st April, 2019. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form.
12. **In compliance with the MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the AGM along with the Annual Report 2019-20 including inter alia the Report of the Board of Directors, Auditors' Report, Financial Statement, Notice of this AGM, Attendance Slip, Proxy Form, etc. is being sent only through electronic mode to those Members whose email**

addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website <https://www.suryavanshi.com>

13. M/s K.S. Rao & Co., Chartered Accountants, Hyderabad (ICAI Firm Regn. No.003109S) were appointed as Statutory Auditors in the AGM held on 29th September 2017 for a period of 5 years until the conclusion of 43rd AGM. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
14. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standards on General Meeting (SS-2) which sets out details relating to Special Business at the meeting, is annexed hereto in respect of business set out under Item no.3,4,5 & 6.
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFIN Technologies Private Limited for assistance in this regard.
16. The Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account Details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to KFIN Technologies Private Limited along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in Demat form
- are requested to submit the aforesaid information to their respective Depository Participant.
17. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment or approval for payment of remuneration at this AGM are annexed to the Notice and forms part of the Explanatory Statement.
- Brief resume of all the Directors of the Company has also been furnished separately in the Annual Report. All the Directors proposed to be appointed/re-appointed have furnished the relevant consent for their appointment/re-appointment.
18. **E-Voting:**
- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members, the facility to cast their vote electronically, through the e-voting services provided by KFin Technologies Private Limited on all resolutions set forth in this Notice. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- (ii) The facility for voting through Ballot form shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through Ballot form.
- (iii) A Member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- (iv) The Board of Directors of the Company has appointed Smt Rashida Adenwala, Practising Company Secretary, Partner, R & A Associates, Hyderabad as Scrutinizer to voting process (e-voting)

- and ballot) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
- (v) **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 25th November 2020.**
- (vi) **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 25th November 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot form.**
- (vii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 25th November 2020, may obtain the User ID and password by writing to KFin Technologies Private Limited at evoting@kfintech.com or contact 040- 6716 2222 or Toll Free No.1800 3454 001. However, if the person is already registered with KFin Technologies Private Limited for remote e-voting then the existing user ID and password can be used for casting vote.
- (viii) The remote e-voting facility will be available during the following period:
- Commencement of remote e-voting: From 9.00 a.m. (IST) on 29th November 2020**
- End of remote e-voting: Up to 5.00 p.m. (IST) on 01st December 2020**
- The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by KFin Technologies Private Limited upon expiry of aforesaid period.
- (ix) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, after the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company <https://www.suryavanshi.com> and on the website of KFin Technologies Private Limited <https://evoting.kfintech.com> The results shall simultaneously be communicated to BSE Limited.
- (x) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 02nd December 2020.
- (xi) **Instructions and other information relating to remote e-voting:**
- A. **In case of Members receiving Notice through mail:**
- a. Open e-mail and open PDF File viz. "Suryavanshi Spinning Mills Ltd.pdf" with your client ID or folio No. as password. The said PDF File contains your user ID and password for e-voting. Please note that the password is an initial password.
 - b. Use the following URL for e-voting: KFin Technologies Private Limited website: <https://evoting.kfintech.com>
 - c. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
 - d. Enter the login credentials. In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin Technologies Private Limited for e-voting, you can use your existing User ID and password for casting your vote.
 - e. After entering the details appropriately, click on LOGIN.
 - f. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - g. You need to login again with the new credentials.

- h. On successful login, the system will prompt you to select the EVENT i.e., **Suryavanshi Spinning Mills Limited**.
- i. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- j. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- k. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- l. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.
- m. Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- n. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rashida@rna-cs.com with a copy marked to evoting@kfintech.com.
- o. In case of any queries relating to e-voting, members may please refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.kfintech.com> or contact Mr. V Raghunath, Deputy Manager, KFin Technologies Private

Limited, Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Contact no. 040-67162222, Toll free No. 1800 345 4001, email id: raghu.vedha@kfintech.com, evoting@kfintech.com.

Instructions and other information relating to Ballot Form:

- (i) A member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Ms. Rashida Adenwala, Practising Company Secretary, Partner at R&A Associates, Hyderabad, duly appointed by the Board of Directors of the Company, to the given address Office No. T 202, Technopolis, I-10-74/B, Above Ratnadeep Super Market, Chikoti Gardens, Begumpet, Hyderabad, Telangana 500016. Ballot Forms deposited in person or sent by post or courier at the expense of the member will also be accepted at the Registered Office of the Company.
 - (ii) Please convey your assent in Column "FOR" or dissent in the column "AGAINST" by placing a tick (") mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
 - (iii) Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before 01st December 2020 (5.00 P.M. IST). The Ballot Forms received after the said date /time shall be strictly treated as if the reply from the Member has not been received.
 - (iv) Unsigned/ incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.
 - (v) A member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on secdept@suryavanshi.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than 01st December 2020 (5.00PM. IST).
- 19.** In case of joint holders, the vote of such joint holder who is higher in the order of names shall be accepted to the exclusion of the votes of other joint holders.

20. In terms of Section 72 of the Act read with the applicable Rules made under the Act, every holder of shares in the Company may at any time nominate, in the prescribed manner (Form No. SH-13), a person to whom his/her shares in the Company shall vest, in the event of his/her death. Nomination Form can be obtained from the R & TA. The duly filled in Nomination Form shall be sent to R & TA at the above mentioned address by the Members holding shares in physical mode. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
21. Members/Proxies/Authorized Representatives should bring their soft/hard copy of the Annual Report and Attendance Slip sent herein for attending the Meeting. Proxy/Authorized Representatives of

Members should state on the Attendance Slip as 'Proxy' or 'Authorized Representative', as the case may be. Further, those who hold shares in demat form are requested to write their Client Id and DP Id and those who hold shares in physical forms are requested to write their folio number on the Attendance Slip for easy identification at the meeting.

22. A route map showing directions to reach the venue of the 41th AGM is given at the end of the Notice.

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place: Secunderabad

Date: 28.09.2020

Rajender Kumar Agarwal
Managing Director
DIN: 00041892

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Sri Rajender Kumar Agarwal has been re-appointed as Managing Director of the Company by the Board for a period of 3 years w.e.f. 13.02.2020 at no remuneration as per Section 197 read with Schedule V Part II Section II (Default in payment of dues to Bank & Financial Institution).

Sri Rajender Kumar Agarwal is one of the promoter directors of Suryavanshi Spinning Mills Limited and has vast knowledge of textile industry for more than 30 years and his experience in diverse field and guidance is considered vital to the company's growth. He is the Managing director and has been associated with the company from October 1990.

The above appointment was made subject to approval of members, banks and such other approvals as may be required:

S.No.	Name	Period	Remuneration (Rs.) per month (proposed)
1.	Sri Rajender Kumar Agarwal	13.02.2020 to 12.02.2023	No remuneration as per Section 197 read with Schedule V Part II Section II (Default in payment of dues to Bank & Financial Institution).

The above appointment and remuneration have been approved by the Nomination and Remuneration Committee.

Additional Disclosure about the appointee as per Schedule V of the Companies Act, 2013.

I. Nature of Industry

Company is in the business of manufacturing of Polyester, polyester-viscose Blended Yarns and Medical Textiles Products at Aliabad, Shameerpet Mandal, Ranga Reddy District, in the state of Telangana catering to both domestic and the export markets.

1. Date of commencement of commercial production: N.A.

Company has started its operations since 1978

2. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : N.A.

3. Financial performance based on given indicators:

Financial Statements and other documents form part of the Annual Report 2019-20.

4. Foreign investments or collaborators, if any.

At present the Company does not have any Collaboration, either technical or financial.

II. Information about the appointee:

I. Background details:

S.No.	Particulars	Details
1.	Name	Rajender Kumar Agarwal
2.	Qualification	B.E (Mechanical)
3.	Past Remuneration Drawn	Rs. 1,40,000/- P.M. Plus applicable allowances and perquisites
4.	Job Profile and Sustainability	He has vast experience in Procurement, Construction, installation and commissioning of the Spinning Units. He has been associated with Company from 1990 and from last two decade he is serving as executive director of the Company. In addition to the above he looks after Administration and Export Activities of the Company. He has developed niche in markets effectively and identified several new overseas markets for the Company's Products.

2. Recognition or awards : Nil

- 3. Remuneration proposed :** No remuneration as per Section 197 read with Schedule V Part II Section II (Default in payment of dues to Bank & Financial Institution).
4. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:
Compared to the remuneration profile of position and person with respect to this industry and size, he is entitled to the remuneration drawn in past.
5. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:
Sri R.K.Agarwal, Managing Director has the direct pecuniary relationship by way of remuneration from the company.

III. Other information:

I Reasons of loss or inadequate profits

The company incurred losses due to insufficient working capital, excess capacity in the industry, mismatch of selling prices and of finished and raw material prices, huge raw material fluctuations leading to scarcity of raw materials with depressed market conditions. While the Company has been able to sustain itself, it is not able to generate profits due to the limitations as stated above. Since last years the Company is analyzing the overhead expenses and trying to minimize the loss.

2. Steps taken or proposed to be taken for improvement

The Company has got few advanced machineries at its dyeing unit at Aliabad, Telangana. Company has drawn expansion, modernization and value addition programme involving addition and installation of other value added machines. On account of this measures being taken by the Company, the performance is going to be improved over a period of time.

3. Expected increase in productivity and decrease in loss in measurable terms.

Company is expected to increase turnover by around 5% and the company is expected to achieve reasonable profits.

Board of Directors recommends the resolutions stated at Item No. 3 of the Notice for your approval.

Sri Rajender Kumar Agarwal is interested in the resolution with regard to his re-appointment and the relatives of Sri Rajender Kumar Agarwal may be deemed to be interested in the said resolution to the extent of their shareholding in the company.

Except the above none of the other Directors/ Key Managerial Personnel of the Company/their relatives is in anyway concerned or interested, financially or otherwise in the Item No. 3 of the Notice.

Item No. 4

Smt Sushma Gupta has been appointed by the Board of Directors as Additional Director (Woman Director), on the recommendation of Nomination & Remuneration Committee, in terms of Sections 161 and 149 of the Companies Act 2013, from 31st March, 2015. In terms of the said section, Smt Sushma Gupta shall hold office upto the date of Annual General Meeting of the Company held on 29/09/2015.

In respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years with effect from 29.09.2015 to 28.09.2020."

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has proposed to re-appoint Smt Sushma Gupta (DIN: 07147330) as an Independent Director of the Company for the second term of five years commencing from 29.09.2020 to 28.09.2025, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

The Company has also received a declaration from Smt Sushma Gupta (DIN: 07147330) confirming that she meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Company has received from Smt Sushma Gupta (DIN: 07147330) consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under sub- section (2) of section 164 of the Companies Act, 2013.

Smt Sushma Gupta is a Bachelor of Arts and a Gold Medalist in Economics. She has a passion for teaching and is into the field of teaching for the past few years. In the opinion of the Board, her presence on the Board of the Company will add value to the management.

Board of Directors recommends the resolutions stated at Item No. 4 of the Notice for your approval.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Smt Sushma Gupta as Independent Director is now being placed before the Members for their approval.

Except Smt Sushma Gupta, none of the other directors / key Managerial Personnel of the Company / their relatives are in anyway concerned or interested, financially or otherwise in the above resolutions.

Item No. 5

Shri Manish Gupta has been appointed as an Independent Director of the Company by the members to hold office for 5(five) consecutive years w.e.f. September 30, 2014 to September 29, 2019. After that his term is over and during the year he has been appointed by the Board of Directors as an Additional Director w.e.f 30.09.2019 in the category of independent director, on the recommendation of Nomination & Remuneration Committee, in terms of Sections 161 and 149 of the Companies Act 2013. In terms of the said section, Shri Manish Gupta shall hold office upto the ensuing Annual General Meeting of the Company.

In respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years with effect 30.09.2019 to 29.09.2024.”

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has proposed to appoint Shri Manish Gupta (DIN: 00526638) from additional Independent director to Independent Director of the Company for the term of five years commencing from 30.09.2019 to 29.09.2024, subject to consent by the Members of the Company at the ensuing Annual General Meeting (“AGM”).

The Company has also received a declaration from Shri Manish Gupta (DIN: 00526638) confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Company has received from Shri Manish Gupta (DIN: 00526638) consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub- section (2) of section 164 of the Companies Act, 2013.

Shri Manish Gupta, Commerce Graduate has vast experience in the Civil & Construction activities. He has successfully completed construction of projects of Commercial, Industrial and Residential nature Villas for Advantage Raheja Group at Shamirpet, Villas for Babu Khan Properties at Kokapet, Industrial RCC shed for Pankaj Polytec, Villas for CSK Realtors, Residential Apartments for Maruti Rich Ventures, Villas for Sri Sai Constructions at Narsingi, Industrial Shed for VinsBiotec at Thimmpur. He is also director of the following companies.

1. BMG Constructions Private Limited
2. Sheshadri Power and Infrastructure Private Limited
3. Sixth Sense Learning Strategies Private Limited
4. Sheshadri Industries Limited
5. Suryavanshi Spinning Mills Limited

Board of Directors recommends the resolutions stated at Item No. 5 of the Notice for your approval.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Shri Manish Gupta as Independent Director is now being placed before the Members for their approval.

Except Shri Manish Gupta none of the other directors / key Managerial Personnel of the Company / their relatives are in anyway concerned or interested, financially or otherwise in the above resolutions.

Item No. 6

Shri Uttam Gupta has been appointed by the Board of Directors as Additional Director w.e.f 28.09.2020 in the category of independent director, on the recommendation of Nomination & Remuneration Committee, in terms of Sections 161 and 149 of the Companies Act 2013, from 28th September 2020. In terms of the said section, Shri Uttam Gupta shall hold office upto the ensuing Annual General Meeting of the Company.

In respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has proposed to appoint Shri Uttam Gupta (DIN: 08883411) from additional Independent director to Independent Director of the Company for the term of five years commencing from 28.09.2020 to 27.09.2025, subject to consent by the Members of the Company at the ensuing Annual General Meeting (“AGM”).

The Company has also received a declaration from Shri Uttam Gupta (DIN: 08883411) confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Company has received from Shri Uttam Gupta (DIN: 08883411) consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub- section (2) of section 164 of the Companies Act, 2013.

Details of Shri. Uttam Gupta are provided in the “Annexure” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Mr. Uttam Gupta is a Bachelor of Commerce. He is involved in a business of Manufacturing of Furniture for the past 25 years. In the opinion of the Board, his presence on the Board of the Company will add value to the management.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 06 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

Item No.7

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company cannot sell, lease or otherwise dispose of the whole or substantially the whole undertaking of the Company except with the consent of the members in the General Meeting by way of Special Resolution.

The Company is negotiating with banks for the one time settlement of the loans of the Company. For the said purpose it is hereby proposed to sell / dispose off of all the Pant, Machinery and Building of Spinning Division & Dyeing Division of the Company situated at Aliabad, Shameerpet Mandal, Medchal District, Telangana,

In this regard, your kind consent is being sought, to authorize the Board of Directors of the Company to sell or otherwise dispose of the properties and thereby get the funds to pay off the liabilities.

The members are requested to approve item No. 07 by passing Special Resolution .

None of the Directors and / or Key Managerial Personal or their relatives, are interested or concerned in the resolution.

ANNEXURE TO ITEM 2,3,4,5 & 6 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting
(in pursuance of Regulation 36 (3) of SEBI (Listing Obligations Disclosure Requirements), 2015)

Name of the Director	Mr. Rajender Kumar Agarwal	Ms. Sushma Gupta	Mr. Manish Gupta	Mr. Uttam Gupta
DIN	00041892	07147330	00526638	08883411
Date of Birth	28.07.1962	03.09.1963	30.01.1970	08.06.1970
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board	12.10.1990	31.03.2015	06.01.2014	28.09.2020
Qualifications	B.E (Mechanical)	B.A	B.A	B.Com
Expertise in specific functional area	Experience of more than 25 years in Textiles business.	Gold medalist in Economics	Vast experience in the Civil & Construction activities	Experience of more than 25 years in Manufacturing of Furniture business
Number of shares held in the Company as on 31.03.2020	12,19,359	185	Nil	Nil
List of the directorships held in other companies	1. Telangana Spinning & Textile Mills Association 2. Sheshadri Power and Infrastructure Private Limited	1. Aananda Lakshmi Spinning Mills Limited 2. Sheshadri Industries Limited 3. Devshree International Private Limited	1. Aananda Lakshmi Spinning Mills Limited 2. Sheshadri Industries Limited 3. Sheshadri Power And Infrastructure Private Limited 4. Bmg Constructions Private Limited 5. Sixth Sense Learning Strategies Private Limited	1. Aananda Lakshmi Spinning Mills Limited 2. Sheshadri Industries Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil	Nil	Audit Committee – Member 1. Sheshadri Industries Limited Stakeholders Relationship committee - Member 1. Sheshadri Industries Limited Audit Committee – Member 1. Aananda Lakshmi Spinning Mills Limited Stakeholders Relationship committee - Chairman 1. Aananda Lakshmi Spinning Mills Ltd	Audit Committee – Member (w.e.f 28.09.2020) 1. Sheshadri Industries Limited Stakeholders Relationship committee – Member (w.e.f 28.09.2020) 1. Sheshadri Industries Limited Audit Committee – Member (w.e.f 28.09.2020) 1. Aananda Lakshmi Spinning Mills Limited Stakeholders Relationship committee - Member (w.e.f 28.09.2020) 1. Aananda Lakshmi Spinning Mills Ltd

*Committee memberships/chairmanships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Company (whether Listed or not).

There is no inter-se relationship between Board Members.

DIRECTORS' REPORT

To,
The Members,
SURYAVANSHI SPINNING MILLS LIMITED

We have pleasure in presenting the 41th Director Report on the business and operations of Company and Financial Results for the year ended 31st March, 2020.

1. STATE OF AFFAIRS & FINANCIAL PERFORMANCE

The financial highlights of the company are as follows

Rs. In lakhs

	2019-2020	2018-2019
Turnover Revenue	2652.96	2033.83
Gross Profit before financial charges & depreciation & exceptional items	(432.96)	(101.76)
Less: Depreciation	172.12	183.68
Financial charges	242.66	54.91
Exceptional items	760.28	-
Profit / (Loss) before taxation	(87.46)	(340.35)
Tax expenses	-	-
Profit / (Loss) after taxation	(87.46)	(340.35)

2. OPERATIONS

During the year under review, the company recorded total turnover of Rs.2652.96 lakhs as against turnover of Rs.2033.83 lakhs of the previous year. The operations during the year have resulted in a loss of Rs.87.46 lakhs as against the loss of Rs.340.35 lakhs in previous year. The Company's maximum revenue generate through sale of yarn so as higher turnover is recorded in the current year then compared to last year and the same is expected to improve in future.

3. CHANGE IN SHARE CAPITAL

There is no change in Share Capital of the company during the year under review.

4. IMPACT OF COVID-19 ON BUSINESS

In March, 2020 i.e. the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and wellbeing of all employees and ensuing business continuity. Implementation of adequate policies and procedures to enable 'work from home' for employees to work remotely and securely and ensure Business Continuity Plan. Given that employee safety and government directives, operations at all the plants of the company. The operations have since been resumed at all the plants in the month of May/June, 2020 following guidelines of the government authorities, though capacity utilizations remain low. Your Company has taken measures to maintain adequate financial liquidity and to ensure availability of raw materials and needed resources for sustained operations.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in nature of business activity during the year.

6. REVISION OF ANNUAL FINANCIAL STATEMENTS

There was no case of revision in financial statement during the year.

7. RESERVES

Your Directors does not propose to carry any amount to General Reserve Account as the Company has incurred losses during the financial year.

8. DIVIDEND

In view of losses incurred by the Company during the year under review, the Board is unable to recommend dividend.

9. EXPANSION & MODERNISATION

Modernization and expansion shall take place in line with technological developments that take place in the industry.

10. MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR

There are no material changes and commitments affecting financial position of the company which have occurred between the end of the financial year of the company to which financial statements relate and date of the report.

11. FUTURE OUTLOOK

The Company future outlook is expected to be bright in future in view of change in operations.

12. CORPORATE GOVERNANCE

The report on Corporate Governance is not being enclosed to this report in view of the relaxation under regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015 is presented in a separate section forming part of the Annual Report as **Annexure – IV**.

14. LISTING AT STOCK EXCHANGE

The Equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai and the Listing Fee for the year 2019-20 has been duly paid.

15. ENVIRONMENT AND POLLUTION CONTROL

The manufacturing facility has obtained environmental clearance from the Pollution Control Board concerned and is in compliance with all current environmental legislation. As an integral part of its environment protection drive, the Company ensures the very minimum quantity of generation of waste, low emission levels and low noise pollution levels during operations of its manufacturing facility.

16. DEPOSITORY SYSTEM

Your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). As per the SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018, vide Gazette notification dated June 8, 2018 & 30th November, 2018 mandated that Share transfer shall be mandatorily carried out in dematerialized form only w.e.f. from April 1, 2019. In view of the numerous advantages offered by the Depository System, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. RETIREMENT BY ROTATION

Pursuant provision of Section 152 of the Companies Act, 2013, Sri Rajender Kumar Agarwal (DIN 00041892.), Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

B. APPOINTMENT

- Mr. Rajender Kumar Agarwal was re-appointed as the Managing Director of the Company for further period of three years at the Board meeting held on 10th February 2020 subject to the approval of members at the ensuing Annual General Meeting. Board of Directors recommends the above re-appointment and brief profile of Mr. Rajender Kumar Agarwal is given in the report.
- The necessary Resolution for obtaining the approval of Members for the re-appointment of Mrs. Sushma Gupta as independent Director for a second term of 5 consecutive years commencing from 29.09.2020 to 28.09.2025 have also been included in the notice for the ensuing Annual General Meeting. The Board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.
- Mr. Manish Gupta was appointed as an Additional Director w.e.f 30.09.2019 under Independent Director Category who shall hold office till the date of this Annual General Meeting. Approval of the shareholders is being requested by the Board for the appointment of Mr. Manish Gupta as Independent, Non-Executive Director in the Board at the ensuing Annual General Meeting. In terms of the Companies Act, 2013 Mr. Manish Gupta is proposed to be appointed as independent Director for a term of 5 years, not liable for retirement by rotation..
- After Closure of Financial Year, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 28 September 2020 appointed Mr. Uttam Gupta (DIN:08883411) as an Additional Director w.e.f 28.09.2020 under Independent Director Category who shall hold office till the date of this Annual General Meeting. Approval of the shareholders is being requested by the Board for the appointment of Mr. Uttam Gupta as Independent, Non-Executive Director in the Board at the ensuing Annual General Meeting. In terms of the Companies Act, 2013 Mr. Uttam Gupta is proposed to be appointed as independent Director for a term of 5 years, not liable for retirement by rotation.

(B.1) APPOINTMENT OF KEY MANAGERIAL PERSONNEL DURING FINANCIAL YEAR 2019-2020

- Board of Directors appointed Ms. Ashu as a Company Secretary & Compliance Officer of the Company w.e.f 03rd February 2020.
- Board of Director appointed Mr. Rajender kumar Agarwal as Managing Director cum Chief Financial Officer of the Company w.e.f. 20th March 2020.

C. RESIGNATION

Mr. Surender Kumar Agarwal was appointed as an Additional Director w.e.f 30.09.2019 under category of Independent Director who shall hold office till the date of this Annual General Meeting. But due to personal and unavoidable circumstances Mr. Surender Kumar Agarwal file his Resignation from the post of Additional Director under category of Independent Director of the Company w.e.f 26th July 2020 and Board of Directors accepts the same..

D. EVALUATION OF THE BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013 and as per the Listing Regulations, the performance evaluation of the Board and of its Committee was carried out during the year under review.

The Directors evaluation was broadly based on the parameters such as understanding of the Company's vision and objective, skills, knowledge and experience, participation and attendance in Board/ Committee meetings; governance and contribution to strategy; interpersonal skills etc.

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A meeting of the Independent Directors was also held which reviewed performance of non-independent directors, performance of the board as a whole and performance of the Chairman after taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that

followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

E. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013 and the Rules made there under.

Independent Directors not liable to retire by rotation, in terms of Section 149(13) of the Act.

F. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has formulated a familiarization program for Independent Directors to provide insights into the Company's manufacturing, marketing, finance and other important aspects to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The details of such program are available on the Company's website (www.suryavanshi.com)

G. KEY MANAGERIAL PERSONNEL:

Pursuant to the Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Key Managerial Personnel of the Company as on March 31, 2020 are:

- Mr. Rajender Kumar Agarwal, Managing Director & Chief Financial Officer
- Ms. Ashu, Company Secretary & Compliance Officer

H. DISQUALIFICATIONS OF DIRECTORS

During the year declarations received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. The Board appraised the same and found that none of the director is disqualified for holding office as director.

Further the Certificate from Practicing Company Secretary has been obtained who certified that none of the directors of the company disqualified for holding office as director of the Company is enclosed with this Board Report.

18. BOARD AND THEIR COMMITTEES

1. BOARD OF DIRECTORS

a) Composition and Number of Board Meetings:

As on 31st March, 2020, the board of Directors comprises of 4 (Four) Directors of these, 1 (One) is Executive Director and 3 (Three) are Independent Directors. The Chairman is an Executive Director.

The Board of Directors of the Company met Ten (10) times during the year i.e. on 30.05.2019, 14.08.2019, 30.09.2019, 28.10.2019, 07.11.2019, 14.11.2019, 03.02.2020, 10.02.2020, 14.02.2020 and 20.03.2020. The intervening gap between any two meetings was not more than 120 days as prescribed under the Act.

(Resignation of Sri Surender Kumar Agarwal from Independent Director post w.e.f 26.07.2020 and Appointment of Sri Uttam Gupta as an Additional Independent Director in the Company's Board of Directors w.e.f 28.09.2020)*

b) Disclosure of relationships between directors inter-se:

There is no inter-se relationship between Board Members.

2. AUDIT COMMITTEE

The Audit Committee comprises of Sri Surender Kumar Agarwal (Chairman upto 26.07.2020), Sri Manish Gupta, Sri Rajender Kumar Agarwal and Sri Uttam Gupta (w.e.f 28.09.2020) as other members. All the recommendations made by the Audit Committee were accepted by the Board.

During the financial year ended March 31, 2020 – Seven (7) times Audit Committee Meetings were held on 30.05.2019, 14.08.2019, 14.11.2019, 03.02.2020, 10.02.2020, 14.02.2020 and 20.03.2020.

(* Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f 26.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Audit Committee w.e.f 28.09.2020.)

3. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of Sri Surender Kumar Agarwal (Chairman upto 26.07.2020), Sri Manish Gupta, Smt. Sushma Gupta and Sri Uttam Gupta (w.e.f 28.09.2020) as other members. All the recommendations made by the Nomination & Remuneration Committee were accepted by the Board.

During the financial year ended March 31, 2020 – Five (5) times Nomination & Remuneration Committee Meetings were held on 30.05.2019, 30.09.2019, 03.02.2020, 14.02.2020 and 20.03.2020.

(* Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f 26.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Nomination & Remuneration Committee w.e.f 28.09.2020.)

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Your company has constituted a Stakeholders' Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders and other security holders.

The Stakeholders Relationship Committee comprises of Sri Surender Kumar Agarwal (upto 26.07.2020), Sri Manish Gupta, Sri Rajender Kumar Agarwal and Sri Uttam Gupta (w.e.f 28.09.2020).

Details of the complaint received and redressed during the year under review are as follows:

1	No. of Complaints received for the 4 th Quarter	NIL
2	No. of Complaints received for the Year ended 31 st March 2020	NIL
3	Number not solved to the satisfaction of shareholders	NIL
4	Number of pending complaints	NIL

(* Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f 26.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Stakeholders' Relationship Committee w.e.f 28.09.2020.)

5. SEPARATE MEETING OF INDEPENDENT DIRECTOR:

During the year under review, a separate meeting of Independent Directors was held on 05.02.2019 and 14.02.2020.

19. NOMINATION AND REMUNERATION POLICY

The Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration as required under Sec 178 of the Companies Act, 2013 and Regulation 19(4) read with Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

20. OTHER MANAGEMENT POLICES

The following policies are placed in company's website at <https://www.suryavanshi.com>

- Policy for determination of materiality

- Policy on code of conduct
- Policy on Code of Fair disclosure
- RPT Policy

21. AUDITORS & AUDITORS' REPORT

A. STATUTORY AUDITORS

M/s K.S.Rao & Co., Chartered Accountants, Hyderabad (ICAI Firm Regn. No.003109S) were appointed as Statutory Auditors in the AGM held on 29th September 2017 for a period of 5 years until the conclusion of 43rd AGM.

The Company has received a certificate from the auditors confirming that their appointment is in accordance with Section 139 read with Section 141 of the Act.

Ministry of Corporate Affairs vide its notification dated May 7, 2018 has done away with the requirement of seeking ratification of appointment of statutory auditors by members at each AGM. Accordingly, no such item has been considered in notice of the 41th AGM.

Explanation to Auditor's Remark

Following are the replies / clarifications in respect of the observations made by the statutory auditor in their audit report.

- The management is of the considered opinion that the interest provided towards dues payable to Andhra Bank toward One time settlement scheme or compromise proposal which the company has entered with Andhra Bank, due to Covid-19 the company could not make 100% payment on or before 31.03.2020. The Company has already made a representation to the bank for extending the period of One time settlement upto 31.03.2021. The company has provided interest of Rs.153.45 Lakhs upto 31.03.2020. The Company has not provided interest of Rs. 559.09 Lakhs towards interest on outstanding loans since the account become NPA. The management is confident it will complete the compromise proposal / one time Settlement entered with Andhra Bank would be amicably completed. In case the One time settlement is not completed then the bank has the liberty to recover the interest on the original sanction / disbursed loans.
- The Company has always done any transaction with related parties at arm's length basis. The Company has undertaken similar job work with third parties where the company has no relation in whatsoever it may be. While doing similar transactions with related parties or associate companies of the group the company has taken similar prices which the company has been doing with any third parties whenever such rates could not be arrived at. The management has taken quotations from 3rd parties before taking up any such transaction with related or associate companies.

With reference to the observation made under the head "Evaluation of uncertain tax positions, the note no 41 disclosing the contingent liabilities is self explanatory.

With reference to auditor's observations on note No. 44,46,47 & 48 to the financial statements, the Board considers the note itself is self-explanatory.

Reporting of fraud by Statutory Auditors

There was no fraud in the Company, which was required to be reported by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

B. SECRETARIAL AUDITOR

During the year, the Company has appointed M/s Yellapragada and Associates, Practicing Company Secretaries as Secretarial Auditor in compliance with the provision of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit report in form MR-3 for the financial year ended 31st March 2020 is annexed herewith as **Annexure I** to this Report. The Secretarial Audit Report does not contain any qualification or adverse remark.

C. INTERNAL AUDITOR

In compliance with the provisions of Section 138 of the Act read with Rule 13(1)(a) of Companies (Accounts) Rules, 2014. The Board of Directors of the Company has appointed M/s. SLR & Associates, Chartered Accountant as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended 31st March 2020.

22. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party transaction are presented to the Audit Committee and the board. Omnibus approval is obtained for the transactions which are foreseeable and repetitive in nature. A Statement of all related party transactions is presented before the Audit Committee and the Board on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The Policy on materiality of related party transactions as approved by the Board may be accessed on the Company's website at <http://www.suryavanshi.com/policy-policy.html>.

Your Directors draw attention of the members to Note 38 to the financial statement which sets out related party disclosures. . Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 is enclosed to this report in **Annexure V**.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Account) Rules, 2014 is annexed hereto and marked **Annexure II** and forms part of this Report.

25. INTERNAL FINANCIAL CONTROLS

The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control systems, including internal financial controls, are commensurate with the nature of its business and the size and complexity of its operations and the same are adequate and operating effectively. These systems are periodically tested and no reportable material weakness in the design or operation was observed. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial controls.

26. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

27. POLICY ON SEXUAL HARASSMENT:

The Company has in place a policy on Prevention of Sexual Harassment of Employees at workplace in accordance with The Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Compliant Committee has been set to redress complaints received regarding sexual harassment.

During the year under review, the Company has not received any complaints pertaining to sexual harassment.

28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not made any loan, given guarantee or provided security pursuant to the provisions of Section 186 of Companies Act, 2013. The details of investments made by the Company pursuant to the provisions of Section 186 of Companies Act, 2013 is provided in Note 8 to the financial statement.

29. DISCLOSURES:

A. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March, 2020 in Form MGT-9 in accordance with Section 92(3), Section 134(3)(a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, is annexed herewith as **Annexure III** to this Report which can be accessed from <http://www.suryavanshi.com/financials>.

B. Vigil Mechanism

The Company has a 'Whistle Blower Policy'/'Vigil Mechanism' in place. The objective of the Vigil Mechanism is to provide the employees, Directors, customers, contractors and other stakeholders of the Company an impartial and fair avenue to raise concerns and seek their redressal, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and fair dealings with all its stakeholders and constituents and its commitment to open communication channels. The Company is also committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization, for whistle blowing in good faith. The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. The Policy contains the provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases..

The Policy on vigil mechanism cum Whistle Blower may be accessed on the Company's website at the link: <https://www.suryavanshi.com> there were no complaints received during the year 2019-20.

C. Risk Management

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company as part of business strategy has in place a mechanism to identify, assess, monitor risks and mitigate various risks with timely action.

30. COMPLIANCE OF SECRETARIAL STANDARD

The Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Central Government

31. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Details relating to deposits covered under Chapter V of the Act.
- b. The Company has no subsidiaries, joint ventures or associate companies.
- c. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.
- d. During the year under review the Company has not given loan to any employee for purchase of its own shares as per section 67(3) (c) of Companies Act, 2013.
- e. The Company has not issued shares under employee's stock options scheme pursuant to provisions of Section 62 read with Rule 12 of Companies (Share Capital and Debenture) Rules, 2014.
- f. The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of Companies (Share Capital and Debenture) Rules, 2014 & SEBI (issue of sweat equity) Regulations, 2002 during the Financial Year.
- g. The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2020.
- h. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- i. Details in respect of frauds reported by the Auditors under section 143(12) other than those which are reportable to the Central Government, as there were no such frauds reported by the Auditors.

32. ACKNOWLEDGEMENTS:

The Board of Directors is pleased to place on record their appreciation for the co-operation and support extended by All Financial Institutions, Banks and various State and Central Government Agencies.

The Board would also like to thank the Company's shareholders, customers, suppliers for the support and the confidence which they have reposed in the management. The Board place on record its appreciation for the contribution made by the employees at all levels and for their hard work, solidarity, co-operation and support.

By order of the Board
For **Suryavanshi Spinning Mills Limited**

R.K.Agarwal
Managing Director
DIN: 00041892

Place: Secunderabad
Date: 28.09.2020

Manish Gupta
Director
DIN: 00526638

FORM NO.MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
SURYAVANSHI SPINNING MILLS LIMITED
CIN: L14220TG1978PLC002390
Registered office

Add: 105, Sardar Patel Road,
Secunderabad-500003
Telangana, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SURYAVANSHI SPINNING MILLS LIMITED** (herein after called the "Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon

Based on our verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company (records were verified in electronic form due to situation of "COVID-19") for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(Not Applicable to the Company during audit Period)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; -- **(Not Applicable to the Company during audit Period)**.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -- **(Not Applicable to the Company during audit Period)**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -- **(Not Applicable to the Company during audit Period)**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -- **(Not Applicable to the Company during audit Period)**

- i. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- ii. The Listing Agreement entered into by the Company with BSE India Limited.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis:

The management has identified and confirmed the following laws as being specifically applicable: and based on representation of the Management the said law are duly complied:

- a) Textiles (Development and Regulation) Order, 2001; and
- b) Hank Yarn Packing Notification issued under Essential Commodities Act, 1955.

We further report that,

1. the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors & Woman Directors. There is no change in the composition of the Board of Directors but appointed Whole Time Company secretary was appointed on 03.02.2020, during the period under review in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes
4. Information given by the Management that there, **company has defaulted in payments undisputed statutory dues at March 31, 2020 which includes Provident Fund, Employees 'State Insurance', Income-Tax, Sales-tax, and Value added tax.**
5. We further report that based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines
6. There was no instance of Demerger/ Restructuring/ Scheme of Arrangement
7. The Company has altered MoA and AoA
8. We further report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliances on the part of the Company.

We hereby state that due to present scenario of "COVID 19", the audit was done on the basis of information provided by the Company in electronic mode. We were unable to conduct actual physical examination of documents and reports filed by the Company with respect to compliances applicable

For Yellapragada & Associates
Practicing Company Secretaries

Cs Eshwar Sharma Yellapragada
Proprietor
M.No 37135, C P No. 19122
UDIN:A037135B000604185

Date : 21.08.2020
Place : Hyderabad.

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

To
The Members,
SURYAVANSHI SPINNING MILLS LIMITED
CIN: LI4220TG1978PLC002390
Registered office
Add: 105, Sardar Patel Road,
Secunderabad-500003
Telangana, India

Our report of even date is to be ready along with this supplementary testimony:

1. Maintenance of Secretarial record is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc. We have also verified the applicable provisions of IEPF which is compiled by the Company.
5. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company. We hereby state that due to present scenario of "COVID 19", the audit was done on the basis of information provided by the Company in electronic mode. We were unable to conduct actual physical examination of documents and reports filed by the Company with respect to compliances applicable.

For Yellapragada & Associates
Practicing Company Secretaries

Cs Eshwar Sharma Yellapragada
Proprietor
M.No 37135, C P No. 19122

Date : 21.08.2020
Place : Hyderabad.

UDIN:A037135B000604185

ANNEXURE - II

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i)	The steps taken or impact on conservation of energy	An energy audit was undertaken by a firm of consultants to improve upon the energy conservation measures. The recommendations from the audit were implemented.
ii)	The steps taken by the Company for utilizing alternate sources of energy	Nil
iii)	The capital investment on energy conservation equipments	Nil

B. TECHNOLOGY ABSORPTION

i)	The efforts made towards technology absorption	The Company has adapted indigenous technology and innovated upon the same.
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Product improvement, increase in yield, production of high value added products.
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	No technology has been imported during the last three years.
	a. The details of technology imported	NA
	b. The year of import	NA
	c. Whether the technology been fully absorbed	NA
	d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof and	NA
iv)	The expenditure incurred on Research and Development	Expenditure on in-house Research & Development was not incurred during the year under review.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakhs)

	2019-2020	2018-2019
i) Foreign Exchange Earned:		
FOB value of exports	42.29	-
CIF value of exports	0.12	-
ii) Foreign Exchange used:		
Commission on Exports	-	-
Foreign Travel Expenses	-	-
Stores & Spares	-	-

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2020

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	LI4220TG1978PLC002390
ii)	Registration Date	27/12/1978
iii)	Name of the Company	Suryavanshi Spinning Mills Limited
iv)	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
v)	Address of the Registered Office and contact details	6 th Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad – 500003 Tel No. 040-27843333 E-mail: info@suryavanshi.com
vi)	Whether listed company Yes / No	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Kfin Technologies Private Limited Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana Tel no. 040-67162222 E-mail: einward.ris@kfintech.com, kfinkart.support@kfintech.com / reachus@kfintech.com Website: https://www.kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Polyester yarn	1311-Preparation and spinning of textile fibres	87.89%
2	Absorbent bleached cotton	1313 - Finishing of textiles	12.11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding / subsidiary / Associate	% of shares held	Applicable section
	NONE				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat		Physical		Demat		Physical		
			% of total shares				% of total shares		
A. Promoters									
(1) Indian									
a) Individual / HUF	2850500	-	2850500	58.07	2850500	-	2850500	58.07	
b) Central Govt.	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	
d) Bodies Corporate	-	-	-	-	-	-	-	-	
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any Other -Trust	-	-	-	-	-	-	-	-	
Sub-Total (A)(1):	2850500	-	2850500	58.07	2850500	-	2850500	58.07	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	
b) Other - Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corporate	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	
e) Any Other....	-	-	-	-	-	-	-	-	
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	
Total Shareholding of Promoters (A) = (A) (1)+(A)(2)	2850500	-	2850500	58.07	2850500	-	2850500	58.07	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	148	110	258	0.01	148	110	258	0.01	
b) Banks / FI	259	166	425	0.01	259	166	425	0.01	
c) Central Govt.	-	-	-	-	-	-	-	-	
d) State Govt.(s)	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FIs	-	-	-	-	-	-	-	-	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Physical	Total	% of total shares		
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	407	276	683	0.01	407	276	683	0.02	-
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	120744	482738	603482	12.29	130951	482738	613689	12.50	0.21
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders Holding nominal share capital upto Rs.2 lakh	1080569	154248	1234817	25.16	1078134	152477	1230611	25.07	(0.09)
ii) Individual Shareholders holding nominal share capital in excess of Rs.2 lakh	187909	-	187909	3.84	158759	-	158759	3.23	(0.61)
c) Others (specify)									
i) NRI	26097	-	26097	0.53	26097	-	26097	0.53	-
ii) Clearing Members / Clearing House	1000	-	1000	0.02	2	-	2	0.00	(0.02)
iii) NRI (Non-Repat)	4088	-	4088	0.08	28235	-	28235	0.58	0.50
Sub-Total (B)(2):	1420407	636986	2057393	41.92	1422178	635215	2057393	41.91	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	1420814	637262	2058076	41.93	1422585	635491	2058076	41.93	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4271314	637262	4908576	100.00	4273085	635491	4908576	100	-

ii) Shareholding of promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total share	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total share	
1	Rajender Kumar Agarwal	1219359	24.84	-	1219359	24.84	-	-
2	Yamunadevi Agarwal	1011767	20.61	-	1011767	20.61	-	-
3	Badrinarayan Agarwal Family Trust	-	-	-	-	-	-	-
4	Badrinarayan Agarwal	-	-	-	-	-	-	-
5	Narbada Bai	619374	12.62	-	619374	12.62	-	-
	Total	2850500	58.07	-	2850500	58.07	-	-

(iii) **Change in Promoters' Shareholding (please specify, if there is no change)** - No there is no change in Promoters Shareholding.

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SI. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Jerambhai Karamshibhai Kakadia				
	At the beginning of the year	45813	0.93	45813	0.93
	At the End of the year			45813	0.93
2	Sanjeev Lunkad				
	At the beginning of the year	41686	0.85	41686	0.85
	Purchase on 05/04/2019	3154	0.06	44840	0.91
	Purchase on 12/04/2019	150	0.01	44990	0.92
	Sale on 12/04/2019	(12983)	0.27	32007	0.65
	Purchase on 19/04/2019	40	0.00	32047	0.65
	Purchase on 07/06/2019	172	0.01	32219	0.66
	Purchase on 14/06/2019	1976	0.04	34195	0.70
	Purchase on 26/07/2019	2910	0.06	37105	0.76
	Sale on 26/07/2019	(2910)	0.06	34195	0.70
	Purchase on 02/08/2019	25	0.00	34220	0.00
	Purchase on 06/09/2019	444	0.01	34664	0.71

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Sale on 11/10/2019	(2)	0.00	34662	0.71
	Purchase on 13/12/2019	2000	0.04	36662	0.75
	At the End of the year			37298	0.76
3.	Suryalakshmi Cotton Mills Limited				
	At the beginning of the year	37777	0.77	37777	0.77
	At the End of the year			37777	0.77
4.	Pankaj Kumar Ramawat				
	At the beginning of the year	28850	0.59	28850	0.59
	Purchase on 07/06/2019	10	0.00	28860	0.59
	Sale on 13/09/2019	(10)	0.00	28850	0.59
	Sale on 31/03/2020	(1)	0.00	28849	0.59
	At the End of the year			28194	0.57
5	Baman K Mehta				
	At the beginning of the year	25900	0.53	25900	0.53
	At the End of the year			25900	0.53
6	Vsk Murthy Balijepalli				
	At the beginning of the year	24106	0.49	24106	0.49
	Purchase on 24/05/2019	4	0.00	24110	0.49
	At the End of the year			24110	0.49
7	Pranav Kumarpal Parekh				
	At the beginning of the year	21554	0.44	21554	0.44
	At the End of the year			21554	0.44
8	Lal Tolani				
	At the beginning of the year	20675	0.42	20675	0.42
	At the End of the year			20675	0.42
9.	PCS Securities Limited				
	At the beginning of the year	37	0.00	37	0.00
	Purchase on 12/04/2019	20000	0.41	20037	0.41
	At the End of the year			20037	0.41
10	Vinodchandra Mansukhlal Parekh				
	At the beginning of the year	19992	0.41	19992	0.41
	At the End of the year			19992	0.41

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Rajender Kumar Agarwal Managing Director				
	At the beginning of the year	1219359	24.84	1219359	24.84
	At the End of the year			1219359	24.84
2	Surender Kumar Agarwal Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
3	Manish Gupta Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
4	Sushma Gupta Independent (Woman) Director				
	At the beginning of the year	185	0.004	185	0.004
	At the end of the year			185	0.004
5	Ms. Ashu Company Secretary				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil

****Mr. Surender Kumar Agarwal resigned from the post of Independent Director w.e.f 26.07.2020**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakhs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	3614.33	599.13	-	4213.46
ii) Interest due but not paid	-		-	-
iii) Interest accrued but not due			-	
Total (i+ii+iii)	3614.33	599.13	-	4213.46
Change in Indebtedness during the financial year:				
• Addition	-	517.51	-	517.51
• Reduction	(1733.95)		-	(1733.95)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Net Change	(1733.95)	517.51	-	(1216.44)
Indebtedness at the end of the financial year:				
i) Principal Amount	1880.38	1116.64	-	2997.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	153.45	-	-	153.45
Total (i+ii+iii)	2033.83	1116.64	-	3150.47

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Rajender Kumar Agarwal, Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission	-	
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify Contribution to Provident fund	0.00	0.00
	Total (A)	0.00	0.00
	Ceiling as per the Act	60 Lakhs*	60 Lakhs*

*As per Section II Part II of Schedule V

B. Remuneration to other Directors:

(Rs. in Lakhs)

Sl. no.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Surender Kumar Agarwal	Mr. Manish Gupta	Ms. Sushma Gupta	
1.	Independent Directors				
	• Fee for attending board / committee meetings	0.31	0.31	0.21	0.83
	• Commission	-	-	-	-
	• Others- Incidental Expenses	-	-	-	-
	Total (1)	0.31	0.31	0.21	0.83
2.	Other Non-Executive Directors	None			
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.31	0.31	0.21	0.83
	Total Managerial Remuneration (A+B)	0.31	0.31	0.21	0.83
*Ceiling as per the Act		*Rs. 1 lakh per meeting attended			

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

(Rs. in Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel
		Ms. Ashu Company Secretary
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify...	-
5.	Others, please specify Contribution to Provident fund	0.00
	Total	0.50

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

ANNEXURE – IV

MANAGEMENT DISCUSSION ANALYSIS FORMING PART OF THE ANNUAL REPORT

1. INDUSTRY STRUCTURE, DEVELOPMENT AND PRODUCT WISE PERFORMANCE

The Company is in the business of manufacturing of Cotton, Polyester, polyester- viscose, Blended Yarns and Medical & Cosmetic Cotton at its factories situated at Aliabad, Shameerpet Mandal, Rangareddy District in the state of Telangana catering to both domestic and the export markets.

Indian Textile & Garment industry is one of the largest in the world. Most of the processing units in India are independent units, with some being integrated with spinning, weaving or knitting units.

2. INDIAN TEXTILE INDUSTRY

The domestic textile industry in India is expected to reach \$223 billion by 2021 from \$ 140 billion (domestic and export) in 2018. Exports contributes major revenue to the exchequer and is expected to increase to \$300 billion by 2024-25 resulting in a tripling of Indian market share from 5% to 15% and create an additional 35 million jobs by 2022, the Indian textile sector will require additional 17 million workforces.

Government Initiatives: The Ministry of Textiles has been allocated Rs. 3,515 crore in the current Budget 2020-21 and for ATUF Scheme, the fund allocation is Rs. 761.90 crore. The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), scheme is estimated to create employment for 35 lakh people and enable investments worth Rs 95,000 crore (US\$ 14.17 billion) by 2022. In 2020, New Textiles Policy 2020 is expected to be released by the Ministry of Textiles. Under the Scheme for Integrated Textile Parks (SITP), 59 textile parks were sanctioned out of which 22 have been completed.

The Indian Textile Industry is one of the largest and oldest industries in the country both in the organized and unorganized sector. The Textile Industry plays a crucial factor in terms of generation of employment, after agriculture.

3. OPPORTUNITIES AND THREATS

Opportunities:

India is complete due to low power and labour cost and ideally placed for the world's garment requirements. India has several growth drivers for

this industry viz., abundance of natural resources, raw material, competitive manufacturing costs, large and growing domestic market, presence of entire value chains, availability of manpower, export promotion & increase in demand, rising per capita income, organized retail & e- Commerce platform, increasing loans under TUF, growing domestic and foreign investments

Threats:

The over all economic situation and mismatch in selling and raw material prices is leading to industry crisis. Slow down in lending for fresh projects / working capital requirements by banks is a negative factor for textile industry. Raw material which is dependent on excess or shortage of monsoons plays a key role in raw material prices. Availability of raw material at reasonable prices is also crucial for spinning industry.

4. RISKS AND CONCERNS:

Weak demand and excess supply coupled with excess capacity is the crippling factor in the textile Industry. The intense competition from China, bangladesh, Taiwan, Srilanka and other emerging economies. Availability of finance for working capital / long term capital requirements due to slow down and cautious lending by banks and financial institutions Changing consumer behavior, Infrastructure bottlenecks, outdated technology, inflexible labour laws and a fragmented nature of the industry. Industry is weighing various options China cutting down imports is worsening situation.

5. OUT LOOK:

The near-term outlook remains challenging due to the economic slowdown following lockdown to curb the spread of the COVID-19 pandemic, on the other hand there also seems to be a short-term opportunity for Indian companies to cater to those markets which were earlier catered by China and Bangladesh. Government measures to incentives exports, domestic demand is expected to revive by third quarter as the lockdown is slowly unfolded with an expected revival in demand the textile business turnaround is most promising.

These factors will go a long way in improving company's' business.

6. COVID-19 IMPACT AND COMPANY'S RESPONSE

World Health Organization (WHO) declared outbreak of Corona virus Disease (COVID-19) a global pandemic. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in at its units in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lockdown period which has been extended till third week of May, 2020. However, partially production and supply of goods has commenced during the month of May 2020 after obtaining permissions from the appropriate government authorities

Company extended its support and cooperation towards all Government Initiatives/ Directions for combating the escalating COVID-19 situation. Company has adopted several measures across its offices and site to ensure business continuity. In order to create awareness and protect employees, some of the measures taken are:

- Work from Home' facility for our office staff.
- Following of social distancing norms.
- Minimizing external visitors unless crucial.
- Compulsory hand sanitization for all at frequent intervals.
- Daily periodic sanitization of offices, work-area, company transport, etc.
- Provision of hand sanitizers, masks and medical kit.
- Multiple awareness drives for all employees.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company and also upgraded the IT support

systems. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Audit Committee periodically reviews the adequacy of the internal audit functions.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

There are no material developments in the Human Resources area. The industrial relations have been generally satisfactory. The Company constantly reviews the man power requirements and has a properly equipped Department to take care of the requirements. The total number of people employed by the Company as on 31.03.2020 was 110.

9. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

In view of change in operations the company's financial performance were to the extent of Rs. 2033.82 lacs in the previous financial year 2018-19 and it is increased to Rs. 2652.96 lacs during the financial year 2019-2020 .

10. ACCOUNTING TREATMENT

In the preparation of the financial statements the Company has followed the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with relevant rules there under. The Significant Accounting policies which are consistently applied have been set out in the notes to the financial statements.

CAUTIONAERY STATEMENT

1. Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, etc., which are valid only at the time of making the statements. A variety of factors known / unknown, expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions.
2. Readers may therefore appreciate the context in which these statements are made before making use of the same.

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no related party transactions that were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Rishikesh Yarns
(b)	Nature of contracts/arrangements/transactions	Jobwork charges collected & Purchase of Material
(c)	Duration of the contracts / arrangements / transactions	It is a continuing contract
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Jobwork charges collected = Rs. 304.79 Lakhs Purchase of Material = Rs. 637.07 Lakhs
(e)	Justification for entering into such contracts or arrangements or transactions	The transaction is in the ordinary course of business and at arm's length
(f)	Date(s) of approval by the Board	14.08.2018 and approved in AGM held on 29.09.2018
(g)	Amount paid as advances, if any:	-

By order of the Board
For **Suryavanshi Spinning Mills Limited**

Place: Secunderabad
Date: 28.09.2020

Rajender Kumar Agarwal
Managing Director
DIN: 00041892

INDEPENDENT AUDITOR'S REPORT

To the Members of **SURYAVANSHI SPINNING MILLS LIMITED.**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **SURYAVANSHI SPINNING MILLS LIMITED.** ("the company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects of our observations stated in "Qualified Opinion" section below, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

During the year under review, the company has provided Rs. 153.45 Lakhs as interest on working capital loans and term loans with Andhra Bank as per Terms of OTS proposal submitted with the Banks, which the company has failed to repay. But interest as per Bank sanction letter amounts to Rs. 559.09 Lakhs. In the absence of statement of account/confirmation from the Bank the above amount has been arrived at as per calculation made by the company.

Consequent to the above, loss for the year and Liabilities as at 31st March 2020 was understated and Shareholders funds are overstated to this extent.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditors responsibility for the Audit of Financial Statements* section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

we draw attention to note no. 44 of Financial Results which states that during the year the company has incurred a loss of Rs. 87.46 lakhs and as at 31st March, 2020, accumulated losses of Rs. 2,642.58 lakhs as at 31st March 2020, resulting in complete erosion of net worth and current liabilities exceed current assets by Rs. 2626.24 lakhs. Further there were lower cash inflows from existing business activities and the Company has defaulted in payment of dues to banks/ Financial Institutions and could not comply with the terms of sanction and /or repayment schedule of the banks. There were no written communications from banks for further extension of OTS Scheme. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a Going Concern. However, the accompanying financial have been prepared on "Going Concern" basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

Emphasis of Matter:

Attention is invited to the following material matters:

- a) Note no 46 of the statement Exceptional items includes Profit on sale of assets of Rs. 86.61 lakhs, which was made on 23rd March 2019, and recorded in the books of accounts during the financial year 2019-20 and gain on waiver of loan amount by financial institutions of Rs. 205.08 lakhs.
- b) As stated in Note No. 47 of the Financial Results, which describes the uncertainties and the possible effects of Covid-19 on the operations of the Company.

Our conclusion is not modified in respect of above matter.

Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
Evaluation of provision and Contingent liabilities	
<p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes</p> <p>Refer to Notes: no 41 to the Financial Statements</p>	<p><u>Principal audit procedures</u></p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of key uncertain tax positions; and • We along with our internal tax experts – <ul style="list-style-type: none"> ⊙ evaluated the Design and tested the operating effectiveness of controls around the assessment of the matter; ⊙ Read and analyzed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; ⊙ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and ⊙ Assessed management's estimate of the possible outcome of the disputed cases; <p>Assessed the appropriateness of disclosures made under the head 'Contingent Liabilities' in the financial Statements.</p>

Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

- 2) As required by Section 143(3) of the Act we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account,
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act,
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) No managerial remuneration was paid during the year under review. Accordingly, reporting under requirements of section 197 does not apply.
 - h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note no 41 of financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **K.S.RAO & CO.**
Chartered Accountants
Firm's Regn No.003109S

(M.NAGA PRASADU)
Partner
Membership No.231388
UDIN:20231388AAAABF2664

Place : Hyderabad
Date : 18.07.2020

Annexure - A to the Auditor's Report:

The Annexure referred to in Para I under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members **SURYAVANSHI SPINNING MILLS LIMITED, SECUNDERABAD** for the year ended March 31, 2020.

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the immovable properties have been transferred to SURYAVANSHI SPINNING MILLS LIMITED (Resulting company) as per the scheme of demerger approved by Hon'ble High Court at Hyderabad.
2. According to information and explanation given to us physical verification of inventory has been conducted at reasonable intervals by the management. However, we did not have occasion to overview the physical stock taking. Further according to information and explanation given to us no material discrepancy was noticed in such verification by management
3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
b. In view of our comments in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete.
7. a. According to the records, the company is not regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income-tax, Sales-tax, Service tax, Goods and Services Tax, Duty of customs, Duty of excise, Value added tax, Cess and all other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2020 for a period more than six months from the date they became payable are as follows.

Name of Statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount relates (Financial Year)	Due Since	Date of Payment
Employees provident Fund Act	Provident Fund Contribution	54.77	2017-2018, 2018-2019 and 2019-20	June,2017	Not Yet Paid
Employees State Insurance Act	Employees State Insurance	20.47	2016-2017, & 2018-2019 2019-20	Feb,2018	Not Yet Paid
Central Sales Tax Act	CST	80.15	2016-17	June,2017	Not Yet Paid

- b. According to the records of the Company and the information and explanations given to us, the dues of Sales tax, Income tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, Cess, which have not been deposited on account of dispute are as follows:

Name of Statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Andhra Pradesh General Sales Tax (APGST) Act, 1957	Sales Tax dues	23.51	2001-02	Hon'ble High Court, Hyderabad.

8. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans to financial institutions and Banks.

Name of the Bank	Amount of default as at the Balance Sheet date (Rs in Lakhs)*	Due from
Term Loans		
i) Andhra Bank -Corp	627.65	From Sep'2016
Working capital Loan		
Andhra Bank	1202.22	From Sep'2016

*Total Principal dues excluding interest

9. During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and Term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid any remunerations to directors. Accordingly, paragraph 3(xi) of the Companies (Auditor's Report) Order 2016 is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **K.S.RAO & CO.**
Chartered Accountants
Firm's Regn No.003109S

(M.NAGA PRASADU)
Partner
Membership No.231388
UDIN:20231388AAAABF2664

Place : Hyderabad
Date : 18.07.2020

Annexure – B to the Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **SURYAVANSHI SPINNING MILLS LIMITED, SECUNDERABAD** (“the Company”) as of 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following weaknesses has been identified as at March 31, 2020.

- a) The Company did not obtain comparative quotes for the prices paid/ received relating to the transactions with related parties to ensures that those transactions were entered into at armlength prices.
- b) As stated in Note no 48 Pending confirmations/ reconciliation of balances of secured borrowings, balances with banks including, trade receivables, trade payables(including micro and small) and receivables/payables from/to related parties. In this regard as stated in the note, internal control is being strengthen.

The management is confident that on confirmation/reconciliation there will not be any material impact on the financial statements for the year ended 31st March, 2020.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

We have considered the weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company, and these weaknesses do not affect our opinion on the financial statements of the company.

for K.S.RAO & CO.
Chartered Accountants
Firm's Regn No. 003109S

(M.NAGA PRASADU)
Partner
Membership No. 231388

Place: Hyderabad
Date: 18.07.2020

BALANCE SHEET AS AT MARCH 31, 2020

Amount in Rs. Lakhs

Particulars	Note No.	As at March 31,2020	As at March 31,2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	2,642.13	2,930.51
(b) Intangible assets	5	0.13	0.13
(c) Capital work-in-progress	6	4.35	4.36
(d) Financial Assets			
(i) Loans & Advances	7	174.36	174.36
(ii) Investments	8	5.64	7.87
TOTAL Non - Current Assets		2,826.61	3,117.23
Current assets			
(a) Inventories	9	252.89	191.19
(b) Financial Assets			
(i) Trade receivables	10	302.49	126.93
(ii) Cash and cash equivalents	11	9.53	6.13
(iii) Cash and bank balances other than (b) above		12.91	11.07
(iv) Others financial assets	12	9.01	9.53
(c) Current tax assets		191.67	176.19
(d) Other current assets	13	162.63	353.27
TOTAL Current Assets		941.13	874.31
Total Assets		3,767.74	3,991.53
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	491.08	491.08
(b) Other Equity	15	(1,562.12)	(1,417.52)
Total Equity		(1,071.04)	(926.44)
Liabilities			
Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,158.55	1,565.91
(b) Provisions	17	94.89	91.93
(c) Other Non-Current Liabilities	18	17.97	17.97
Total Non - Current Liabilities		1,271.41	1,675.81
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	1,873.31	2,112.40
(b) Trade payables			
i) MSME	20	25.01	16.57
ii) Other than MSME		627.39	516.36
(c) Other financial liabilities	21	158.74	5.28
(d) Other current liabilities	22	612.23	357.27
(e) Provisions	23	270.69	234.28
Total Current liabilities		3,567.37	3,242.16
Contingent Liabilities and Commitments			
Total Equity and Liabilities		3,767.74	3,991.53
Significant Accounting Policies	2&3		
The notes referred to above, form an integral part of these financial statements.			

As per our report of even date
For K.S.Rao & Co.
Chartered Accountants
Firms' Registration Number: 003109S

For and on behalf of Board of Directors
Suryavanshi Spinning Mills Limited

M.Naga Prasadu
Partner
Membership Number:231388
Place : Secunderabad
Date : 18th July, 2020

R.K. Agarwal
Managing Director

Ms. Ashu
Company Secretary

Manish Gupta
Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020

Amount in Rs. Lakhs

Particulars		Note- No.	For the year ended March 31,2020	For the year ended March 31,2019
I.	Revenue from Operations	24	2,586.89	2,009.81
II.	Other Income	25	66.07	24.01
III.	Total Income (I + II)		2,652.96	2,033.82
IV.	Expenses			
	Cost of Materials Consumed	26	1,438.35	266.10
	Purchases of Stock-in-Trade		227.65	179.79
	Changes in inventories of Stock-In-Trade	27	(117.10)	(19.73)
	Employee Benefits Expense	28	535.12	578.44
	Finance Cost	29	242.66	54.91
	Depreciation and amortisation expense	30	172.12	183.68
	Other expenses	31	1,001.90	1,130.99
	Total expenses (IV)		3,500.70	2,374.18
V.	Profit /Loss before exceptional items and tax (III - IV)		(847.74)	(340.35)
VI.	Exceptional items		760.28	-
VII.	Profit/Loss before tax (V + VI)		(87.46)	(340.35)
VIII.	Tax Expenses:			
	a. Current Tax			
	i. Relating to current period		-	-
	b. Deferred tax liability /(Asset)			
	i. On Temporary Differences		-	-
	Total Tax Expenses (VIII)		-	-
IX.	Profit for the period (VII - VIII)		(87.46)	(340.35)
X.	Other Comprehensive income	32		
	i. Items that will not be reclassified subsequently to profit or loss		10.96	0.70
	ii. Income tax relating to items that will not be reclassified to profit or loss		-	
	Total Other Comprehensive Income		10.96	0.70
XI.	Total Comprehensive Income for the Period (IX+X)		(76.50)	(339.65)
XII.	Earnings per equity share from Continuing operations:	33		
	Basic and Diluted		(1.56)	(6.92)
	Significant Accounting Policies	2&3		

The notes referred to above, form an integral part of these financial statements.

As per our report of even date

For K.S.Rao & Co.

Chartered Accountants

Firms' Registration Number: 003109S

For and on behalf of Board of Directors

Suryavanshi Spinning Mills Limited

M.Naga Prasadu

Partner

Membership Number:231388

Place : Secunderabad

Date : 18th July, 2020

R.K. Agarwal

Managing Director

Ms. Ashu
Company Secretary

Manish Gupta

Director

Statement of Changes in Equity for the year ended March 31, 2020

I Equity Share capital	Particulars	At the beginning of the year		Changes during the year	At the end of the year		
		491.08	-			491.08	
	For the year ended March 31, 2020	491.08	-		491.08		
	For the year ended March 31, 2019	491.08	-		491.08		
II Other Equity							
		(Rs in Lakhs.)					
Particulars	Reserves and Surplus		Other comprehensive Income	Equity Portion on Interest free unsecured Loan from Directors	Total Equity		
	Securities Premium	Capital Redemption Reserve				Export Allowance Reserve	Surplus in Statement of Profit and Loss
Balance as on 01.04.2019	1,048.61	8.00	5.50	(2,555.12)	(9.73)	85.22	(1,417.52)
Profit/Loss for the year	-	-	-	(87.46)	-	-	(87.46)
Other comprehensive income	-	-	-	-	10.96	-	10.96
Total comprehensive income	-	-	-	-	10.96	-	(76.50)
Equity portion of loan from Directors	-	-	-	-	-	(68.10)	(68.10)
As at March 31, 2020	1,048.61	8.00	5.50	(2,642.58)	1.23	17.12	(1,562.12)
Significant Accounting Policies	2&3						
See accompanying notes forming part of financial statements							

As per our report of even date
For K.S.Rao & Co.
Chartered Accountants
Firms' Registration Number: 003109S

M.Naga Prasadu
Partner
Membership Number: 231388
Place : Secunderabad
Date : 18th July, 2020

R.K. Agarwal
Managing Director

Ms. Ashu
Company Secretary

Manish Gupta
Director

For and on behalf of Board of Directors
Suryavanshi Spinning Mills Limited

Cash flow Statement for the year ended March 31, 2020

(Amount in Lakhs)

Particulars	For the Year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
I Cash flow from operating activities:		
A. Profit before tax	(87.46)	(340.35)
B. Adjustment for:		
a. Depreciation and amortisation	172.12	183.68
b. Interest income	(10.00)	(9.86)
c. Dividend Income	-	(0.07)
d. Unrealised (gain)/loss on Investments (net)	2.22	1.23
e. Profit on sale of Assets	(555.20)	0.20
f. Provisions Written back	(205.08)	(1.47)
g. Unrealized foreign exchange gain	0.31	(1.38)
h. Finance cost	176.70	13.51
i. Bad Debts/Debit Balance written off	68.01	1.68
j. Other Comprehensive Income items	-	0.70
k. Interest expense on unsecured loan	-	29.69
l. Interest expense on Sales Tax deferment	-	7.79
m. Income on Government Grant	-	(8.15)
	(438.38)	(122.80)
C. Adjustment for movements in Working capital		
a. Trade payables,	114.44	31.92
Other liabilities and Provisions	225.76	304.33
b. Trade receivables	(107.55)	87.07
c. Inventories	(61.70)	26.78
d. Financial and other current assets	177.90	(46.97)
(Net of fair value adjustment on deposits)		
D. Cash generated from Operations	(89.53)	280.33
Less: Direct taxes Paid	-	(30.99)
Net cash flow from operating activities (I)	(89.53)	249.34

Cash flow Statement for the year ended March 31, 2020

(Amount in Lakhs)

Particulars	For the Year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
II Cash flows from investing activities		
a. Purchase of fixed assets, including CWIP	(0.54)	(9.25)
b. Proceeds from sale of fixed assets	650.20	8.47
Proceeds from deposits on maturity	-	(28.19)
f. Interest received	10.22	11.63
Net cash flow from/ (used in) investing activities (II)	659.88	(17.34)
III Cash flows from financing activities		
a. Interest paid	-	(13.93)
Proceeds from Loans & borrowings	371.01	-
Repayments of Loans & borrowings	(929.97)	(219.41)
b. Dividends Income	-	0.07
Net cash flow from/ (used in) financing activities (III)	(558.96)	(233.27)
IV Net (decrease) in cash and cash equivalents (I + II + III)	11.39	(1.27)
Cash and cash equivalents at the beginning of the year	11.05	18.48
V Cash and cash equivalents at the end of the year	22.44	17.20
VI Components of cash and cash equivalents:		
a. Cash on hand	9.53	11.05
b. With banks		
i. on current account	12.91	6.15
Total cash and cash equivalents (note no.12)	22.44	17.20

Significant accounting policies 2 & 3

The notes referred to above, form an integral part of financial Statements

As per our report of even date

For K.S.Rao & Co.

Chartered Accountants

Firms' Registration Number: 003109S

For and on behalf of Board of Directors

Suryavanshi Spinning Mills Limited

M.Naga Prasadu

Partner

Membership Number:231388

Place : Secunderabad

Date : 18th July, 2020

R.K. Agarwal

Managing Director

Ms. Ashu

Company Secretary

Manish Gupta

Director

Notes forming part of the financial statements as at 31st March,2020

1. Corporate Information

Suryavanshi Spinning Mills Limited (The 'Company') is a Public Limited Company incorporated on 27.12.1978 and its Registered Office is at 6th Floor, Surya towers, 105, S.P.Road, Secunderabad-500003, Telengana State. The Company is engaged in manufacturing Polyester Yarn and Absorbent bleached cotton at its manufacturing unit located at Aliabad, R R District at Telangana. The Company is listed on BSE

The Financial Statements of the company for the year ended March 31,2020 are approved by the Board of Directors of the company on July 18, 2020

2. Basis of preparation:

This IND AS financial statements of the company have been prepared in accordance with Indian Accounting Standards (Here in after referred to as the "IND AS") as notified by the Ministry of Corporate Affairs pursuant to the Section 133 of the Companies Act, 2013 ("The Act") read along with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standard) Amendment Rules , 2016 and other relevant provisions of the Companies Act as applicable in India.

3. Significant Accounting policies:

a) Significant accounting estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosures of contingencies at the end of the each reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes that requiring a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates made by the company are based on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-current assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposals and its value in use. The fair value less costs of disposal is calculated based on available data from binding sales transactions, conducted at arm's length price, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The value in use is sensitive to the discount rate (generally weighted average cost of capital) used for the DCF model as well as the expected future cash-inflows and the growth rate used for exploration purposes.

ii. Defined Benefit Plans:

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

iii. Fair Value measurement of financial instruments:

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

Notes forming part of the financial statements as at 31st March,2020

iv. Contingencies:

Management judgment is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claim/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

v. Property, Plant and Equipment:

Based on evaluations done by technical assessment team, the management has adopted the useful life and residual value of its Property, Plant and Equipment. Management believes that the assigned useful lives and residual value are reasonable.

vi. Intangibles:

Internal technical or user team assesses the useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

vii. Income Taxes:

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

b) Current Vs Non-current classifications:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies below criteria:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies below criteria:

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost net of GST input credit, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, any attributable cost of bringing the asset to its working condition for its intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Subsequent costs are included in the carrying amount of an asset or recognised as a separate asset, as appropriate, only if it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss in the period in which they are incurred.

Notes forming part of the financial statements as at 31st March,2020

The company adopted cost model as its accounting policy, in recognition of the Property, Plant and Equipment and recognizes at the transaction value as the cost.

Direct expenditure incurred and other attributable costs on projects under construction or in the process of installation are termed as Capital work in progress and shown at cost in the Balance Sheet.

Depreciation is provided on the straight line method as per the useful life prescribed in the schedule II to the Companies Act, 2013 except in respect of the following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance supports etc.

Estimated useful life of the assets are as follows:		
Type of the Asset	Method of Depreciation	Useful life considered
Buildings	Straight line Method	3 – 60 Years
Plant and Machinery	Straight line Method	5 - 15 Years
Data processing equipment	Straight line Method	3 Years
Furniture and fixtures	Straight line Method	10 Years
Vehicles	Straight line Method	8 Years
Office Equipment	Straight line Method	5 Years

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value, if any, is charged to Statement of Profit and Loss.

d) **Intangible Assets:**

Intangible assets are carried at cost, net of accumulated amortisation expenses and impairment losses, if any. Cost of an intangible asset comprise of purchase price and attributable expenditure on making the asset ready for its intended use.

Computer software:

Costs incurred towards purchase of computer software are amortised over the useful life as estimated by the Management which is about 3 years for all of the intangible computer software assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognised.

e) **Impairment of tangible and intangible assets:**

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discounting factor. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. When there is an indication that previously recognised impairment losses no longer exists or may have decreased, then such impairment losses are recognised in the Statement of profit and loss.

Notes forming part of the financial statements as at 31st March,2020

f) **Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

g) **Inventories:**

i. Stock-in-Trade (Finished Goods) and Stock-in-Process:

Stock-in-Trade and Stock-in-Process are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price of inventories less estimated costs of completion and costs necessary to make the sale. Cost is determined on weighted average basis.

ii. Stores and Spares:

Spare parts, stand-by equipment and servicing equipment are recognised in accordance with Ind AS 16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory. Spare parts, stand-by equipment and servicing equipment classified as inventory are stated at cost. Cost is determined on weighted average basis.

iii. Raw Materials:

Raw Materials are stated at Cost. Cost is determined on weighted average basis.

h) **Fair Value Measurement:**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2, or value in use in Ind AS 36.

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i. Level 1 – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.

ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.

iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes forming part of the financial statements as at 31st March,2020

i) Revenue recognition:

i. Revenue from operations:

Revenue is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue from operations includes sale of goods, net of Goods and Service Tax (GST) and trade discounts, cash discounts and other discounts.

ii. Interest/dividend:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive payment is established by the balance sheet date.

iii. Incentives on Export Sales:

Income from Incentives on Export Sales is recognised as income on accrual basis.

j) Foreign currency transactions:

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

k) Retirement and other employee benefits:

i. Employer's contribution to Provident Fund, Employee State Insurance and Labour Welfare Fund which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

ii. Gratuity liability is in the nature of defined benefit obligation. The company's Plan Assets comprise of Gratuity non funded and liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each reporting period as per the requirements of Ind AS 19 on "Employee Benefits".

Actuarial gain/(loss) in the valuation are recognised as other comprehensive income for the period.

iii. Compensated absences which are in the nature of defined benefit obligation are provided for based on estimates and provided for on the basis of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee Benefits".

l) Earnings Per Share:

Basic earnings per share is calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes forming part of the financial statements as at 31st March,2020

m) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

n) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the balance sheet and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

o) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if it is probable that they can be utilised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-off the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-off is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

p) Prior period items:

In case prior period adjustments are material in nature the company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". In case of immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

q) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash as are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the Statement of Cash Flows, cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft (if any) as they being considered as integral part of the company's cash management.

r) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

A. Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

B. Subsequent measurement:

For subsequent measurement, financial assets are classified into following categories:

- a. Debt instruments at amortised cost
- b. Debt instruments at fair value through profit and loss
- c. Equity instruments at fair value through profit and loss

a. Debt Instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

b. Debt instrument at fair value through profit and loss (FVTPL):

AS per the Ind AS 101 and Ind AS 109 company is permitted to designate the previously recognised financial asset at initial recognition irrecoverably at fair value through profit or loss on the basis of facts and circumstances that exists on the date of transition to Ind AS. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c. Equity Instruments at fair value through profit and loss (FVTPL):

Equity instruments in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the statement of profit and loss.

C. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement ₹ and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement.

D. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet it is shown as reduction from the specific financial asset.

Financial liabilities:

A. Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

B. Subsequent measurement:

a. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the statement of profit and loss.

The company doesn't designate any financial liability at fair value through profit or loss.

b. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss.

Financial liability with maturity of less than one year is shown at transaction value.

c. Derecognition:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other income or finance costs.

d) Segment reporting:

The Company has only one reportable business segment, which is textile products and operates in a single business segment. Accordingly, the amounts appearing in the financial statements relate to the company's single business segment.

e) Exceptional Items

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional Item'.

f) IND AS 116

There is no material impact of IND AS 116 as the term of lease is below 12 months; The Company recognizes the lease payment as an operating expense.

Notes forming part of the financial statements as at 31st March, 2020

4 Property, Plant and Equipment

(Figures in Rs. Lakhs)

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block	
	Balance as at 1 April 2019	Additions	Disposals at 31 March 2020	Balance as at 1 April 2019	Depreciation for the year	Disposals at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
a								
Tangible Assets								
Land	6.13	-	1.05	5.08	-	-	5.08	6.13
Buildings :								
Factory Buildings	821.24	-	-	821.24	22.29	-	348.52	370.81
Non Factory Buildings-Non Resident	154.06	-	80.26	73.80	1.16	11.97	54.19	123.65
- Resident	114.44	-	-	114.44	1.80	-	88.31	90.11
Plant and Equipment :								
Plant & Machinery	5,358.47	-	2,17.93	5,140.54	126.63	174.36	2,048.71	2,218.91
Generators	32.91	-	4.25	28.66	0.37	0.37	1.42	5.67
Testing Equipment	18.04	-	-	18.04	0.03	-	1.02	1.04
Electrical Installations	205.85	-	-	205.85	8.95	-	47.44	56.39
Workshop Equipments	0.90	-	-	0.90	-	-	0.01	0.01
Weighing Machines	7.33	-	-	7.33	0.39	-	1.16	1.55
Water Works	16.67	-	-	16.67	0.10	-	1.08	1.18
Furniture & Fixtures	33.32	-	-	33.32	2.12	-	12.82	14.94
Office Equipment	13.46	-	-	13.46	0.49	-	1.27	1.76
Air Conditioners	26.95	-	-	26.95	2.07	-	11.18	13.25
Vehicles	176.37	-	-	176.37	5.67	-	17.91	23.58
Data Processing Equipment	37.30	0.54	-	37.84	0.05	-	2.02	1.53
Total	7,023.44	0.54	303.49	6,720.49	172.12	186.69	2,642.13	2,930.51
5 Intangible Assets								
Computer software	0.13	-	-	0.13	-	-	0.13	0.13
Total	0.13	-	-	0.13	-	-	0.13	0.13
6 Capital Work In Progress								
	4.35	-	-	4.35	-	-	4.35	4.35
Total	4.35	-	-	4.35	-	-	4.35	4.35
Total (a+b+c)	7,027.92	0.54	303.49	6,724.97	172.12	186.69	2,646.61	2,934.99

Notes forming part of the financial statements as at 31st March, 2020 (Figures in Rs. Lakhs)

Note No.	PARTICULARS	As at March 31, 2020	As at March 31, 2019
7	Loans - Non Current:		
	a. Security Deposits - Recoverable (Telephone, APSEB, Electricity, Coal deposits and others)	174.36	174.36
	Total	174.36	174.36
	PARTICULARS	As at March 31, 2020	As at March 31, 2019
8	Other Financial Assets - Non Current:		
	<u>Investments in other companies-Quoted</u>		
	(i) Jindal Polyfilms Limited	2.40	2.63
	(ii) Artefact Projects Limited	0.34	0.51
	(iii) Andhra Bank	1.17	1.60
	(iv) Icici Bank Ltd	0.92	1.99
	(v) Coal India Limited	0.73	1.04
	(vi) Jindal Poly investment & Finance Company Limited	0.08	0.08
	Total	5.64	7.87
9	Inventories:		
	a. Rawmaterials	33.80	38.68
	b. Finished Goods	127.99	63.70
	c. Stores and Spares	37.22	87.74
	d. Work in Progress	52.94	-
	e. Others - Cotton & PV waste (at realizable value)	0.94	1.07
	Total	252.89	191.19
10	Trade Receivables:		
	<i>Unsecured, Considered Good</i>		
	a. Related Parties	-	-
	b. Others	302.49	126.93
	Total	302.49	126.93
11	Cash and cash equivalents:		
	A. Balances in bank a/c's		
	a. Current Accounts	12.89	11.05
	B. Cash on Hand	9.53	6.13
	C. Post office Savings Bank	0.02	0.02
	Total	22.44	17.20

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

Note No.	PARTICULARS	As at March 31,2020	As at March 31,2019
12	Other financial assets - Current:		
	a. Staff Advances	0.37	0.65
	b. Interest receivable	8.64	8.88
	Total	9.01	9.53
13	Other Current Assets:		
	a. Advance for purchase of raw material and stores	137.09	338.31
	b. Balance with Government departments	13.16	3.50
	c. Prepaid Expenses	4.05	3.12
	d. Export License Receivable	7.10	7.10
	e. Claims / Other receivables	1.23	1.23
	Total	162.63	353.27
14	Share capital:		
	A. <u>Authorised Share Capital:</u>		
	3,52,50,000 Equity Shares of Rs. 10/- each	352,500.00	352,500.00
		352,500.00	352,500.00
	B. <u>Issue Share Capital:</u>		
	49,13,076 Equity shares of Rs 10/- each	491.31	491.31
		491.31	491.31
	C. <u>Subscribed and paid up capital:</u>		
	49,08,576 Equity Shares of Rs. 10 each	490.86	490.86
	Add: Forfeited Shares	0.23	0.23
		491.08	491.08
	D. <u>Reconciliation of the shares outstanding at the beginning and at the end of year:</u>		
	(A) Equity Share Capital		
	In no. of Shares		
	At the Beginning and at the end of the period	4,913,076	4,913,076
	In value of Shares		
	At the Beginning and at the end of the period	49,130,760	49,130,760
	E. <u>Rights attached to the Equity Shares:</u>		
	(i) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share.		
	F. <u>Details of Shareholders holding more than 5% shares in the company:</u>		

Notes forming part of the financial statements as at 31st March,2020

(A) *Equity Shares:*

(Figures in Rs. Lakhs)

a.	Sri. Rajender Kumar Agarwal	In no.s	1,219,359	1,219,359
		In %	24.84%	24.84%
b.	Smt. Yamunadevi Agarwal	In no.s	1,011,767	1,011,767
		In %	20.61%	20.61%
c.	Narmada Bai	In no.s	619,374	619,374
		In %	12.62%	12.62%
d.	Westend Developers Ltd	In no.s	481,000	481,000
		In %	9.80%	9.80%

Note No.	PARTICULARS	As at March 31,2020	As at March 31,2019
15	Other Equity:		
A.	<i>Securities Premium</i>		
	At the beginning and at the end of the period	1,048.61	1,048.61
	Closing Balance	1,048.61	1,048.61
B.	<i>Capital Redemption Reserve</i>		
	At the commencement of the year	8.00	8.00
	Closing Balance	8.00	8.00
C.	<i>Export Allowance Reserve</i>		
	At the commencement of the year	5.50	5.50
	Closing Balance	5.50	5.50
D.	<i>Surplus in Statement of Profit and Loss</i>		
a.	At the beginning of the period	(2,555.12)	(2,214.78)
	(+) For the current period	(87.46)	(340.35)
b.	Adjustment due to adoption of New IndAS	.	.
c.	At the end of the period	(2,642.58)	(2,555.13)
E.	<i>Other Comprehensive Income</i>		
	On Actuarial Gain/(loss) on post employment benefits		
a.	At the beginning of the period	(9.73)	(13.26)
b.	Profit Transferred from the statement of Profit and loss	10.96	3.53
c.	At the end of the period	1.23	(9.73)
F.	<i>Equity portion on Interest free unsecured loan from Directors</i>	17.12	85.23
	Total	(1,562.12)	(1,417.52)

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

Note No.	PARTICULARS	As at March 31,2020	As at March 31,2019
16	Borrowings - Non Current:		
	A. Term loans-Secured		
	a. Andhra Bank -II	213.59	213.60
	Less: Current maturities	213.59	213.60
	Sub total	-	-
	b. Andhra Bank - I	36.26	36.27
	Less: Current maturities	36.26	36.27
	Sub total	-	-
	c. Andhra Bank Corporate Loan	1,040.65	1039.08
	Less: Current maturities	1,043.00	333.00
	Sub total	(2.35)	706.08
	d. State Bank of Hyderabad - Additional Term Loan	(1.12)	445.61
	Less: Current maturities	-	142.60
	Sub total	(1.12)	303.01
	e. Reliance Capital Limited	50.51	61.48
	Less: Current maturities	45.58	45.58
	Sub total	4.93	15.90
	TOTAL	1.46	1,024.99

NOTES:

- I Term Loans referred at (a) to (d) above are secured by mortgage of fixed assets present and future of the company on first charge pari passu basis and guaranteed by two Directors and relatives of directors the Company.

Terms of Repayment :

Particulars	Rate of Interest	Quarterly Instalments
a) Andhra Bank -II	15.00%	4
b) Andhra Bank - Corporate Loan	14.75%	20
c) State Bank of Hyderabad - Additional Term loan	14.75%	20
d) Reliance Capital Limited	16.25%	27 (monthly)

Note No.	PARTICULARS	As at March 31,2020	As at March 31,2019
	B. Unsecured loans		
	- Loans from related parties		
	(i) Liability component of Unsecured Loan from Directors	497.11	375.91
	(ii) Inter-corporate Deposits	619.53	118.34
	Sub total	1,116.64	494.25

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

Note No.	PARTICULARS	As at March 31,2020	As at March 31,2019
	C. Deferred Sales Tax Liability	40.45	46.67
	Sub total	40.45	46.67
	Total (A+B+C)	1,158.55	1,565.91
17	Provisions - Non Current:		
	<i>Provision for employee benefits</i>		
	a. Leave Encashment (unfunded)	3.05	3.09
	b. Provision for Gratuity	91.84	88.84
	Total	94.89	91.93
18	Other Non Current Liabilities		
	a. Deferred Government Grant	17.97	17.97
	Total	17.97	17.97
19	Short term borrowings repayable on demand:		
	a. Secured		
	(I) State Bank of Hyderabad		
	Cash Credit	-	410.22
	Packing Credit	-	8.29
	(II) Andhra Bank		
	Cash Credit	771.66	772.22
	Packing Credit	230.56	230.56
	Adhoc	200.00	200.00
	Sub-Total	1,202.22	1,621.29
	B. Current maturities of long term borrowings		
	i). Andhra Bank-I	36.26	36.27
	ii). Andhra Bank -II	213.60	213.60
	iii). Andhra Bank - Corporate Loan	1,043.00	333.00
	iv). State Bank of Hyderabad - Additional Term Loan		142.60
	Less: Loan Repayment Under OTS	(665.21)	(320.18)
	Sub-Total	627.65	405.29

NOTE:

- I. All Working Capital loans are secured by hypothecation of stocks of raw materials, yarn, fabric, stock-in-process, stores and spares and book debts and by a second mortgage over the (present and future) movable & immovable properties of the Company on pari-passu basis and further guaranteed by three Directors of the Company in their personal capacities.

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

Note No.	PARTICULARS	As at March 31,2020	As at March 31,2019
b.	<u>Unsecured</u>		
a.	Sales tax deferment payable	(2.14)	40.24
b.	Reliance Capital Limited	45.58	45.58
	Total	1,873.31	2,112.40
20	Trade Payables - Current:		
a.	Small and Micro enterprises	25.01	16.57
b.	Others	627.39	516.36
	Total	652.40	532.93
21	Other financial liabilities - Current:		
A.	Interest accrued		
a.	Andhra Bank Term Loan	153.45	-
	Sub Total	153.45	-
B.	Security Deposits payables	5.29	5.28
	Total (A+B)	158.74	5.28
22	Other current liabilities:		
a.	Advance from Customers	287.11	96.85
b.	Statutory Dues	82.04	61.99
c.	Other payables	241.19	196.54
d.	Deferred Govt Grant	1.89	1.89
		612.23	357.27
23	Provisions - Current:		
A.	Provision for employee benefits		
a.	Provision for Gratuity	21.56	10.53
b.	Salary & Reimbursements	146.27	123.01
c.	Contribution to PF & ESI	75.25	71.71
d.	Bonus Payable	27.05	28.84
e.	Provision for Leave Encashment	0.56	0.19
	Total	270.69	234.28

Notes forming part of the financial statements as at 31st March,2020 (Figures in Rs. Lakhs)

Note No.	PARTICULARS	For the year ended March 31,2020 Ind AS	For the year ended March 31,2019 Ind AS
24	Revenue from Operations:		
	A. Domestic Sales		
	a. Yarn	1,706.85	5.29
	b. Medical Textiles	270.85	285.79
	c. Cotton Waste	19.34	24.39
	d. Job Work Charges Collected	290.27	1499.57
	e. Traded Cotton	257.16	194.78
	B. Export Sales		
	a. Medical Textiles	42.42	-
	Total	2,586.89	2,009.82
25	Other Income:		
	A. Interest Income on		
	a. Security Deposits	9.60	9.86
	b. Bank Deposits	0.40	
	B. <i>Other Non-operating Income (Net of Expenses)</i>		
	a. Dividend Income	-	0.07
	b. Commission Received	50.00	
	c. Gain on foreign currency transactions & translation	-	1.38
	d. Profit on sale of Assets		3.08
	e. Excess Provision /Credit Balance written Back		1.47
	f. Miscellaneous Receipts	4.04	-
	g. Government Grant Income		8.15
	h. Scrap Sales	2.03	-
	Total	66.07	24.01

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

Note No.	PARTICULARS	For the year ended March 31,2020 Ind AS	For the year ended March 31,2019 Ind AS
26	Cost of Materials Consumed		
	Opening Stock	38.67	89.97
	Add : Purchases	1,433.48	214.8
		1,472.15	304.77
	Less : Value of Raw materials sold	-	-
	Less : Closing Stock	33.80	38.67
	Total	1,438.35	266.10
27	Changes in inventories of Stock-In-Trade:		
a.	Inventory at the beginning of the period		
	Yarn	7.48	12.26
	Medical Textiles	56.22	19.15
	Stock-in-Process	-	12.55
	Cotton waste	1.07	1.08
	Total	64.77	45.04
b.	Inventory at the end of the period		
	Yarn	98.87	7.48
	Medical Textiles	29.12	56.22
	Stock-in-Process	52.94	-
	Cotton waste	0.94	1.07
	Total	181.87	64.77
	(Increase)/Decrease in Stock	(117.10)	(19.73)
28	Employee Benefits Expense:		
a.	Salaries, Wages and Bonus	473.62	530.92
b.	Contribution to Provident Fund	12.96	17.76
c.	Staff Welfare Expenses	12.07	13.53
d.	Gratuity	30.26	6.20
e.	Contribution to Employee State Insurance	6.21	10.03
	Total	535.12	578.44
29	Finance Costs		
a.	Interest on Borrowings	176.70	13.51
b.	Other Borrowing costs	2.87	3.93
c.	Interest on Unsecured loans	63.09	29.69
d.	Interest on Sales Tax Deferement	-	7.78
	Total	242.66	54.91
30	Depreciation and amortisation expense:		
a.	Depreciation on Property, Plant and Equipment	172.12	183.68
	Total	172.12	183.68

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

Note No.	PARTICULARS	For the year ended March 31,2020 Ind AS	For the year ended March 31,2019 Ind AS
31	Other expenses:x		
A.	<i>Power & Fuel</i>		
	(i) Electricity Charges	575.84	693.79
B.	Stores & spare parts consumption :		
	(i) Consumable Stores	12.86	55.54
	(ii) Packing Material Consumed	48.60	68.69
	(iii) Consumption Of Fire Wood	11.68	15.11
C.	Payments to the auditor as		
	(i) auditor	0.80	0.80
	(ii) for taxation matters	0.40	0.40
D.	Rent	22.05	-
E.	Repairs to : Buildings	0.96	13.21
	: Machinery	67.47	66.14
	: Others	4.07	6.33
F.	Insurance	10.94	7.93
G.	Rates and taxes, excluding, taxes on income	27.71	12.75
H.	Printing and Stationery	1.68	3.58
I.	Postage, Telegrams and Telephones	2.16	3.93
J.	Travelling and Conveyance	3.90	17.23
K.	Directors' Sitting Fees	1.37	1.01
L.	Advertisement	0.99	2.29
M.	Expenses on Sales	4.75	1.63
N.	Legal & Professional Charges	7.14	8.07
O.	Vehicle Maintenance	13.51	20.30
P.	Bad debts and Debit balance written off	68.01	1.68
Q.	Loss on Inventory W/off	17.14	-
R.	Loss on Sale of Fixed Assets	21.79	3.28
S.	Miscellaneous expenses	55.58	125.26
T.	Donations	0.60	0.09
U.	Loss on foreign currency transactions & translation	0.31	-
V.	Prior period items	17.39	0.72
w.	Fair value Loss on Investments	2.22	1.23
	Total	1,001.90	1,130.99

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

Note No.	PARTICULARS	For the year ended March 31,2020 Ind AS	For the year ended March 31,2019 Ind AS
32	Other comprehensive income:		
a.	Actuarial Gain/(Losses) on Gratuity Expense for the period	10.96	0.70
b.	Deferred Taxes on above	-	-
	Total	10.96	0.70
33	Earnings Per Equity Share:		
a.	Total Comprehensive Income for the period	(76.49)	(339.65)
b.	Weighted average number of equity shares of Rs. 10/-each	4,908,576	4,908,576
	Earnings per equity share (Basic and Diluted) - (a) / (b)	(1.56)	(6.92)
34.	Retirement Benefit Obligations:		
	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A.	Defined Contribution Plan (Expenses):		
	Contribution to Provident Fund	12.96	17.76
	Contribution to Employee State Insurance	6.21	10.03
	Contribution to Labour Welfare Fund	-	-
B.	Defined Benefit Plans (Gratuity):		
1.	Movement in Obligation – Gratuity:		
	Present Value of Obligation at the beginning of year	99.37	136.47
	Current Service Cost	22.68	19.87
	Interest Cost	7.57	10.56
	Benefits Paid	(5.27)	(1.88)
	Actuarial (Gain)/Loss on Obligation	(10.96)	(65.65)
	Present Value of Obligation at the end of year	113.40	99.37
2.	Movement in Plan Assets – Gratuity:		
	Fair Value of Planned assets at the beginning of the year	-	-
	Contributions during the year	5.27	1.88
	Benefits Paid during the year	(5.27)	(1.88)

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair Value of Planned assets at the end of the year	-	-
3. Expenses recognised in Profit and Loss Statement:		
<u>Gratuity: -</u>		
Current Service Cost	22.68	19.87
Net Interest Cost	7.58	10.56
Expense for the year	30.26	30.43
4. Recognised in Other Comprehensive Income:		
Actuarial (Gain) /loss for the year	(10.96)	(65.65)
5. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:		
a. Attrition Rate		
Age at valuation date		
18-30 years	4.00%	4.00%
31-40 years	2.00%	2.00%
41 and above years	1.00%	1.00%
b. Discount Rate	6.81%	7.74%
c. Expected Rate of Increase in Salary	5.00%	5.00%
d. Mortality Rate	Indian Assured Lives Mortality 2012-14 Ult.	Indian Assured Lives Mortality 2006-08 Ult.
e. Average Remaining Working Life	12.00 years	13.00 years
f. Decrement Adjusted Future Service	11.10 years	11.93 years
6. Sensitivity Analysis:		
Defined Benefit Obligation (Base)		113.40
Sensitivity	Change	Effect on obligations
Discount Rate	+1%	105.74
	-1%	(122.09)
Salary Growth Rate	+1%	122.26
	-1%	(105.45)
Attrition Rates	+50%	114.05
	-50%	(112.70)
Mortality Rate	+10%	113.44
	-10%	(113.36)

Notes forming part of the financial statements as at 31st March, 2020

(Figures in Rs. Lakhs)

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

7.	Expected Payouts – Undiscounted:	Amount
	Expected payments – 1 st year	21.56
	Expected payments – 2 nd to 5 th years	23.75
	Expected payments – 6 th to 10 th years	56.52
	Expected payments – More than 10 th year	111.70

8. Other Information:

Present value of defined benefit obligation:

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a “projected accrued benefit” is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The “projected accrued benefit” is based on the Plan’s accrual formula and upon service as of the beginning or end of the year, but using a member’s final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the “projected accrued benefits” as of the beginning of the year for active members.

35. Income tax expense and Deferred Taxes:

Particulars	For the year ended March 31, 2020	For the year Ended March 31, 2019
<u>Income Tax Expense: -</u>		
a. Current Tax		
- Relating to current year	-	-
- Relating to earlier years	-	-
b. Deferred Tax (arising on temporary differences)	-	-
Total Tax Expense for the year	-	-

Note: The Company has not recognized Deferred Tax Assets due to lack to reasonable certainty that deferred taxes will be reversed in near future.

Effective Tax Reconciliation: -

a. Net Profit/(Loss) before taxes	(87.46)	(340.35)
b. Tax rate applicable to the company as per normal provisions	26%	26.00%
c. Tax expense on net profit (c = a*b)	(22.74)	(88.49)
d. Increase/(decrease) in tax expenses on account of:		
i. Effect of Accelerated Depreciation	12.53	-
ii. Effect of Income exempt from Tax	-	-
iii. Effect of expenses not deductible in determining taxable profits	17.39	58.12
iv. Effect for deduction for expenses earlier disallowed	(10.46)	2.57
v. Other adjustments		-
Net Increase/(decrease) in tax expenses	19.46	60.96

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

36. Fair Value of Financial Instruments:

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current assets and liabilities approximate to their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments is based on the Net Asset Value provided by the Management as on the date of reporting.
- Fair value of Deferred Sales Tax Liability and Unsecured Loans is calculated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Description of significant observable inputs to valuation:

- Deferred Sales Tax Liability and Unsecured Loans:

Interest Rate factor has been considered at a rate currently available for debt on similar terms, by the company for discounting the amount receivable at the time of maturity.

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the financial statements is reasonable approximation of fair values.

Particulars	Carrying Value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets				
At Fair value through profit & Loss				
Investments in Equity Instruments	5.64	7.87	5.64	7.87
At Amortised cost				
Loans	174.36	174.36	174.36	174.36
Trade receivables	302.49	126.93	302.49	126.93
Cash and Bank Balances	22.44	17.20	22.44	17.20
Other Financial assets	9.00	9.53	9.00	9.53
Total Financial Assets	508.29	328.02	508.29	328.02
Financial Liabilities				
At Amortised cost				
Borrowings	3031.86	3678.31	3031.86	3678.31
Trade Payables	652.40	532.93	652.40	532.93
Other Financial liabilities	158.74	5.28	158.74	5.28
Total Financial liabilities	3843.00	4216.52	3843.00	4216.52

Notes forming part of the financial statements as at 31st March, 2020

(Figures in Rs. Lakhs)

37. Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of the company's financial assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2020:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)

Financial Assets:

Designated at Fair Value through profit or loss:

Investments in quoted Equity instruments	5.64	5.64	-	-
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Designated at Amortised Cost:

Loans	174.36	-	-	174.36
Trade Receivables	302.49	-	-	302.49
Cash and Bank Balances	22.44	-	-	22.44
Other Financial Assets	9.00	-	-	9.00

Financial Liabilities:

Designated at Amortised Cost:

Borrowings	3031.86	-	-	3031.86
Trade Payables	652.40	-	-	652.40
Other Financial liabilities	158.74	-	-	158.74

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2019:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)

Financial Assets:

Designated at Fair Value through profit or loss:

Investments in quoted Equity instruments	7.87	7.87	-	-
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Designated at Amortised Cost:

Loans	174.36	-	-	174.36
Trade Receivables	126.93	-	-	126.93
Cash and Bank Balances	337.38	-	-	337.38
Other Financial Assets	9.53	-	-	9.53

Financial Liabilities:

Designated at Amortised Cost:

Borrowings	3678.31	-	-	3678.31
Trade Payables	532.93	-	-	532.93
Other Financial liabilities	5.28	-	-	5.28

Notes forming part of the financial statements as at 31st March, 2020

(Figures in Rs. Lakhs)

38. Related Party Transactions:

During the year under reference the Company has entered following transactions with Related Parties:

Names of the Related parties and description of relationship:

i) Key Management Personnel

Name of the Key Management Personnel	Description of Relationship
Sri R.K.Agarwal	Managing Director

ii) Relatives of Key Management Personnel

Name of the relative of Key Management Personnel	Description of Relationship
Smt Narmada Agarwal	Mother of Sri R.K. Agarwal
Smt. Yamuna Agarwal	Wife of Sri R.K. Agarwal
Smt. Rishikesh Agarwal	Son of Sri R.K.Agarwal

iii) Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence:

1. M/S. Aananda Lakshmi Spinning Mills Limited
2. M/S. Sheshadri Industries Limited
3. M/S. Suryalakshmi Cotton Mills Limited
4. M/S. Suryavanshi Integrated Apparel Park Limited
5. M/s. Innovative Interiors
6. M/s. Rishikesh Yarns
7. M/s. Sheshadri Power and Infrastructure Pvt.Ltd
8. M/s. Ishayu Garments

Note: The details of related parties with whom the company has entered into transactions during the reporting periods have been disclosed.

a) Transactions with Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
i) Purchase of Raw materials and spares		
M/s. Rishikesh Yarns	637.07	-
M/s. Sheshadri Industries Ltd	0.31	-
M/s. Aananda Lakshmi spinning Mills Ltd	1.96	-
ii) Sale of Raw Material & Finished goods		
M/S. Aananda Lakshmi Spinning Mills Limited	1.96	1.62
M/s. Ishayu Garments	26.83	-
iii) Job work Sales		
M/s. Rishikesh Yarns	304.79	-
iii) Interest on Unsecured Loan		
M/S. Suryalakshmi Cotton Mills Limited	2.29	-
M/s. Sheshadri Power & Infrastructure Pvt.Ltd	3.37	-

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

b) Transactions with Key Managerial Personnel

(i) Remuneration to Key Managerial Personnel

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Short-term Benefits	Post-employment benefits	Short-term Benefits	Post-employment benefits
Sri R.K.Agarwal	-	-	-	-

(ii) Unsecured loan Received (Net of Repayments)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sri R.K.Agarwal	2.50	206.87

(iii) Equity portion of Unsecured loan

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sri R.K.Agarwal	-	32.50

(iv) Interest on Unsecured loans

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sri R.K.Agarwal	59.29	206.87

c) Transactions with relatives of Key Managerial Personnel

(i) Employee Benefits

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Mr. Rishikesh Agarwal	-	-

(ii) Unsecured loan Received (Net of Repayments)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Mr. Rishikesh Agarwal	-	3.51

(iii) Equity portion of Unsecured loan

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Mr. Rishikesh Agarwal	-	0.90

(iv) Interest on Unsecured loan

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Mr. Rishikesh Agarwal	-	-

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

Outstanding balances at the year end

Particulars	As at March 31, 2020	As at March 31, 2019
a. Amounts due from related parties		
(i) Sale of raw materials		
M/S. Aananda Lakshmi Spinning Mills Limited	249.10	1.62
M/S. Sheshadri Industries Limited	55.22	-
(ii) Investments		
M/S. Suryavanshi Integrated Apparel Park Limited – Investment	0.90	0.90
b. Amounts due to related parties		
(i) Unsecured Loan		
M/s. Suryalakshmi Cotton Mills Limited	27.72	25.66
Smt.Narmada Agarwal	12.00	12.00
Sri R.K.Agarwal	360.90	358.40
Sri Rishikesh Agarwal	-	8.51
Smt Yamuna Agarwal	-	4.00
(ii) Equity portion of Unsecured Loan		
Sri B.N.Agarwal-	-	4.19
Sri R.K.Agarwal-	-	75.94
Sri Rishikesh Agarwal	-	4.45
Smt Yamuna Agarwal	-	0.65
(ii) Purchase of Raw Material, Stores and Spares		
M/s. Rishikesh Yarn	179.61	-

39. Financial Risk Management objectives and policies:

The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, market risk, credit risk and liquidity risk. The company's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimize potential and guidelines and there has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risks or the manner in which it manages and measures the risks.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

i. Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include Borrowings, loans and advances, deposits and other equity funds.

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

a. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the Company's long-term debt obligations, advances, security deposits and cash and cash equivalents.

The company's policy is to manage its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings

ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposit), the Company minimizes the credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, Outstanding customer receivables are regularly monitored and any credits to new customers are generally covered by appropriate security in the form of deposits.

a. Exposure to credit risk:

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

b. Credit risk concentration profile:

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

c. Financial assets that are neither past due nor impaired:

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits, investment securities that are neither past due nor impaired are placed with or entered with reputable banks, financial institutions or companies with high credit ratings and no history of default.

d. Financial assets that are either past due or impaired:

Trade receivables that are past due or impaired at the end of the reporting period, for which life time expected credit loss has been provided by the company according to its policy. These are shown in the balance sheet at carrying value less impairment/expected credit loss.

iii. Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments which are payable within 12 months.

Notes forming part of the financial statements as at 31st March, 2020

(Figures in Rs. Lakhs)

	Less than 12 months	1 to 3 years	More than 3 years	Total
As at March 31, 2020				
Borrowings	1873.31	1158.55		3031.86
Trade Payables	21.91	512.54	117.95	652.40
Other Financial Liabilities	153.45		5.28	158.74
As at March 31, 2019				
Borrowings	2112.4	1565.91	-	3678.31
Trade Payables	30.45	502.48	-	532.93
Other Financial Liabilities	-	-	5.28	5.28

40. Capital Management:

Particulars	As at March 31, 2020	As at March 31, 2019
Total Borrowings #	3031.86	3678.31
Net Debt		
Equity	491.31	491.31
Other Equity*	(1562.12)	(1417.53)
Total Equity	(1071.04)	(926.44)
Debt/Equity ratio	(2.83)	(3.97)

Total Borrowings includes Long-term and short-term borrowings, Loans from related parties, Deferred Sales Tax Liability and Cash and packing credits.

*Other Equity includes securities premium, capital redemption reserve, export allowance, equity portion of unsecured loans.

41. Contingencies and Commitments:

Particulars	As at March 31, 2020	As at March 31, 2019
Contingent Liabilities		
a. Against Foreign Bills Discounted	-	-
b. Demand from Sales Tax Department, Andhra Pradesh in connection with levy of purchase tax on polyester staple fiber from Reliance Industries Limited, levy of tax on work contract receipts and withdrawal of deferment availed by the company for the year 2001-02. AP Sales Tax Appellate Tribunal set aside the order passed by the Sales Tax Authorities. The Department has challenged the said order before the Hon'ble High Court of AP. and the same is pending.	23.51	23.51

Notes forming part of the financial statements as at 31st March, 2020

(Figures in Rs. Lakhs)

- c. M/s.Suryavanshi Textiles Ltd was amalgamated with our company vide scheme of merger sanctioned by Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with effect from 01-04-2007.The scheme incorporates certain reliefs and concessions for consideration by income tax department including exemption from applicability of MAT u/s.115JB of the Income Tax Act, 1961 for a period of five years from 01-04-2007.The company is pursuing the matter with the authorities concerned for the said reliefs as per the scheme of merger and liability under MAT u/s 115JB of Income Tax Act 1961 including interest as per assessment orders is ` 41 lacs and ` 443 lacs for the assessment years 2010- 11 and 20 11-12 respectively. In the event of the liability being crystallized, the liability shall be shared by Suryavanshi Spinning Mills Limited (Demerged Company) , Aananda Lakshmi Spinning Mills Limited (Resulting Company 1) and Sheshadri Industries Limited (Resulting Company 2) equally, since the Company is demerged on 01-04-2013 (Appointed Date) as per the Scheme of Arrangement approved by Hon'ble High Court at Hyderabad.However, the relief sought by the company was heard by BIFR and the proceedings are awaited.

Commitments

- a. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)-

42. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

Particulars	As at March 31, 2020		As at March 31, 2019	
	Principal	Interest	Principal	Interest
Amount due to vendor*	21.91	3.10	16.57	-
Principal amount paid (includes unpaid) beyond appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-

*The information with regard to Micro, Small and Medium Enterprises has been determined to the extent such parties could be identified on the basis of the information available with the company. The above-mentioned amount is due to them for a period exceeding 45 days and the company has not provided any interest for the delay in payments as the company is in the process of settling the dues with the parties amicably.

43. The Company's business activity falls within a single business segment i.e. Textile products, in terms of IND AS 108 on operating segments.
44. The Company has recorded a net loss of Rs. 87.46 lakhs for the year ended 31st March, 2020 and has accumulated losses of Rs.2642.58 lakhs as at 31st march, 2020. Resulting in complete erosion of net worth and current liabilities exceed current assets by Rs.2626.24 Lakhs. Further, there were lower cash inflows from the existing business activities. The Company has defaulted in payment of dues to banks/financial institutions and could not comply with the terms of sanction and/or repayment schedules of the lending institutions and Banks. As the management of the Company is of the view that financial institutions would settle the liabilities and company's operations would be revived, the accompanying financial statement have been prepared on a "going concern" basis.
45. OTS sanctioned by Andhra Bank is valid upto 27.12.2019. The Company Paid 32% of OTS amount to Andhra Bank. The Company requested further extension to the bank to pay the balance dues of OTS. The Company has provided interest on OTS to Andhra Bank for the FY 2019-20 in the Last Quarter of Rs. 153.45 Lakhs. The Company didn't provide interest for the earlier quarter ending 31st Dec 2019 as the Management was confident of clearing dues to Andhra Bank as on 31st March 2020. Due to unforeseen COVID Lockdown The Company Couldn't clear the dues

Notes forming part of the financial statements as at 31st March,2020

(Figures in Rs. Lakhs)

and hence provided Interest for the entire FY 2019-20 during Fourth Quarter of FY 2019-20.

46. The Company has shown Rs. 760.28 Lakhs as exceptional income towards Sale of Assets Rs.555.19 and Loan waiver by SBI towards OTS of Rs.205.08 under OTS Scheme 2019.
47. In view of the nation wide lock down due to COVID-19 in the last quarter of the year, the company's operations at all its units were shut down which marginally impacted the performance for the quarter. The company has considered internal and external sources of information, economic forecasts and industry reports, upto the date of approval of financial statements in determining the impact of COVID-19 pandemic on various elements of its business operations and financial statements. The company has since resumed its operations in a phased manner from 13/05/2020 conforming with the Guidelines of the Government. The company will continue to closely monitor any material changes to future economic conditions.
48. The company could not obtain confirmation of balances as at 31st March, 2020 in respect of trade receivables and trade payables and the Company hopes that they would be collected and paid.
49. **Previous year figures have been regrouped where ever necessary to conform current year classification.**

As per our report of even date
For K.S.Rao & Co.
Chartered Accountants
Firms' Registration Number: 003109S

M.Naga Prasadu
Partner
Membership Number:231388
Place : Hyderabad
Date : 18th July, 2020

For and on behalf of Board of Directors
Suryavanshi Spinning Mills Limited

R.K. Agarwal
Managing Director

Ms. Ashu
Company Secretary

Manish Gupta
Director

SURYAVANSHI SPINNING MILLS LIMITED

CIN: L14220TG1978PLC002390

Registered Office: 6th Floor, Surya Towers, 105, S.P.Road, Secunderabad – 500003

Phone: 91-40-27843333

Website: www.suryavanshi.com, Email: info@suryavanshi.com

FORM No. MGT-12: POLLING PAPER

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014)

BALLOT PAPER

Name of the first named shareholder (in Block letters)	
Postal Address	
Registered Folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
Class of shares	Equity

I hereby exercise my vote in respect of the ordinary / special resolutions for the business enumerated below and as stated in the Notice of 41th Annual General Meeting of the Company to be held on Wednesday, 02nd day of December, 2020 at 09.30 AM by recording my/ assent or dissent to the said resolution by placing tick (√) at the appropriate box below:

Sl. No.	Particulars	No. of shares held by me	I/we assent to the resolution (FOR)	I/we dissent to the resolution (AGAINST)
	Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2020 and the Reports of the Directors and Auditors thereon.			
2	To appoint a director in place of Sri Rajender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment			
	Special Business			
3	Re-appointment of Mr. Rajender Kumar Agarwal (DIN-00041892) as the Managing Director of Company.			
4	Re-appointment of Smt Sushma Gupta (DIN: 07147330) as an Independent Director			
5	To Appoint Shri. Manish Gupta (DIN: 00526638) as an Independent Director			
6	To Appoint Shri. Uttam Gupta (DIN: 08883411) as an Independent Director			
7	To Authorize the Board to Sell, lease or otherwise dispose undertaking of Company pursuant to Section 180(1)(a)			

Place: Secunderabad

Date: 02.12.2020

Signature of the member

**41th Annual General Meeting
SURYAVANSHI SPINNING MILLS LIMITED**

Registered Office: 6th Floor, Surya Towers, 105,
S.P.Road, Secunderabad – 500003
Phone: 91-40-30512700, Fax: 91-40-30512725
Website: www.suryavanshi.com, Email: info@suryavanshi.com

CIN: LI4220TG1978PLC002390

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL.

ATTENDANCE SLIP

I / We hereby record my / our presence at the 41th Annual General Meeting of the Suryavanshi Spinning Mills Limited held on **Wednesday, 02nd day of December, 2020 at 09.30 AM at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003**

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
Folio No.	DP ID	CLIENT ID	
NAME OF THE MEMBER / JOINT MEMBER(S) (IN BLOCK CAPITALS):			

Signature of the member/ Joint member(s) / proxy

41th Annual General Meeting
SURYAVANSHI SPINNING MILLS LIMITED
Registered Office: 6th Floor, Surya Towers, 105, S.P.Road, Secunderabad – 500003
Phone: 91-40-30512700, Fax: 91-40-30512725
Website: www.suryavanshi.com, Email: info@suryavanshi.com

CIN: L14220TG1978PLC002390

PROXY FORM

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name :
Address :
Email ID :
Signature : _____ or failing him
2. Name :
Address :
Email ID :
Signature : _____ or failing him
3. Name :
Address :
Email ID :
Signature :

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the Company, to be held on **WEDNESDAY, 02ND DAY OF DECEMBER, 2020 AT 09.30 AM AT INCREDIBLE ONE HOTEL, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003** or at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Particulars	FOR	AGAINST
	Ordinary Business		
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 st March, 2020 and the Reports of the Directors and Auditors thereon.		
2	To appoint a director in place of Sri Rajender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment		
	Special Business		
3	Re-appointment of Mr. Rajender Kumar Agarwal (DIN- 00041892) as the Managing Director of Company		
4	Re-appointment of Smt Sushma Gupta (DIN: 07147330) as an Independent Director		
5	To To Appoint Shri. Manish Gupta (DIN: 00526638) as an Independent Director		
6	To Appoint Shri. Uttam Gupta (DIN: 08883411) as an Independent Director		
7	To To Authorize the Board to Sell, lease or otherwise dispose undertaking of Company pursuant to Section 180(1)(a)		

Signed this _____ day of _____ 2020

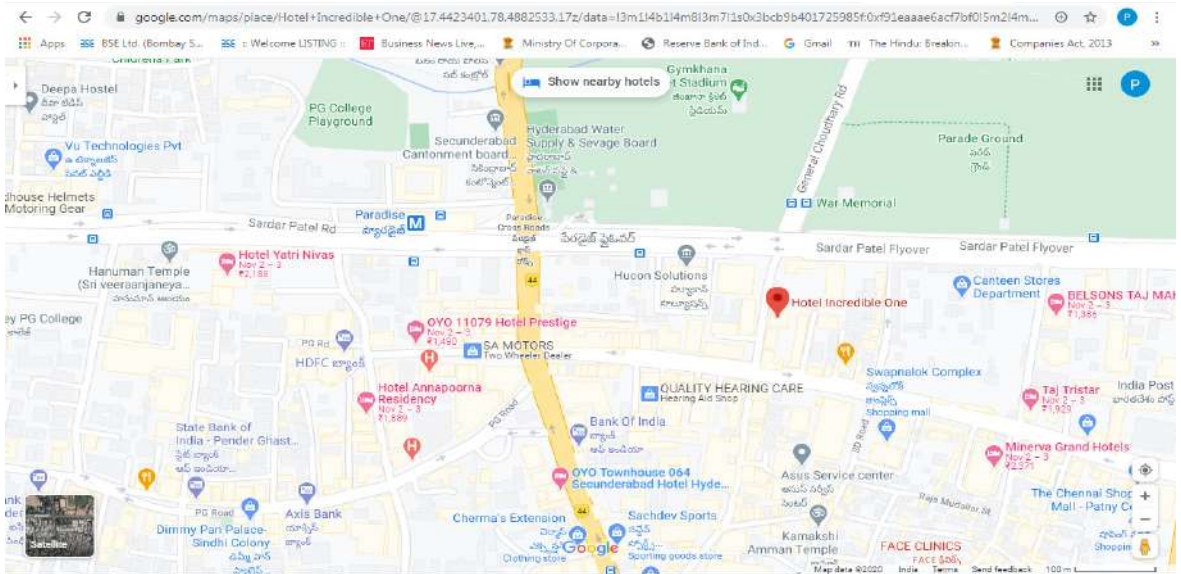
Affix
Revenue
stamp

Signature of Shareholder

Signature of Proxyholder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP FOR THE VENUE OF 41TH ANNUAL GENERAL MEETING:
 1-2-40, 41 & 43, Park Lane, Sandhu Apartment,
 Kalasiguda, Secunderabad, Telangana 500003, India





Registered Office:

Surya Towers, 6th Floor, 105, S.P. Road, Secunderabad - 500 003, Telangana, India.

Phone: 91-40-30512700, Fax: 91-40-30512725

Email: info@suryavanshi.com, Website: www.suryavanshi.com

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